

World



WORLD TRADE
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Trade Organization

Import Licensing Procedures

Sectoral review

World Trade Organization



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List of Abbreviations

Basel Convention	Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
DGD	Decision Guidance Document
ESM	environmentally sound management
FOB	free on board
GATT	General Agreement on Tariffs and Trade
HS	Harmonized System
ILP Agreement	Agreement on Import Licensing Procedures
INN	international non-proprietary name
ISO	International Organization for Standardization
KPC	Kimberley Process Certificate
KPCS	Kimberley Process Certification Scheme
MCI	monthly calculated index
Montreal Protocol	Montreal Protocol on Substances that Deplete the Ozone Layer
NTB	non-tariff barrier
NTM	non-tariff measure
OECD	Organisation for Economic Co-operation and Development
Pharma Agreement	Agreement on Trade in Pharmaceutical Products
PIC	Prior Informed Consent
Rotterdam Convention	Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade
Stockholm Convention	Stockholm Convention on Persistent Organic Pollutants
WCO	World Customs Organization
WHO	World Health Organization

Executive Summary



Import licensing measures are used by most WTO members and are applied to a wide range of products. Despite this wide usage, the information on these measures is limited. The WTO systematically collects import licensing data through official notifications from its members under the **Agreement on Import Licensing Procedures (ILP Agreement)**.¹ This paper illustrates the key elements of import licensing procedures and describes the differences and commonalities in their application by members.

The data have been retrieved from WTO members' notifications on import licensing procedures submitted to the Committee on Import Licensing. In total, the analysis covers 184 import licensing procedures for the following five product categories.

These categories were selected due to the frequent application by WTO members of import licensing procedures in these categories.

Hazardous chemicals

Twenty-five WTO members had notified import licensing procedures on hazardous chemicals as of December 2020. Import licensing procedures in this sector usually aim to protect human, animal or plant life or health. Often, they also seek to comply with international obligations under the Rotterdam Convention on the Prior Informed Consent Procedure for Certain

Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention), which provides an international classification of hazardous chemicals. Out of a total of 164 parties to the Rotterdam Convention, 147 are also WTO members. In addition, of the 25 WTO members that have notified licensing procedures in this sector, eight have clarified that the type of import licensing procedure used was non-automatic, and three have clarified that these procedures were used to administer quotas. Validity periods for licences varied from one month to five years.

Rough diamonds

Seventeen WTO members had notified import licensing procedures on rough diamonds as of December 2020. The main objective of these procedures was to impose controls on imports of rough diamonds as a result of the Kimberley Process, which is an international agreement that seeks to remove conflict diamonds from the global supply chain. Fifty-four participants in the Kimberley Process (out of a total of 55) are WTO members. The Kimberley Process Certification Scheme (KPCS) Core Document sets out the classification of rough diamonds subject to this process. Four WTO members have provided information on the type of import licensing used, of which one type was automatic and three were non-automatic. Processing time for

Sectoral Review

The objective of this sectoral review is to provide an overview of import licensing procedures implemented by WTO members in five specific sectors: hazardous chemicals; rough diamonds; fertilizers and pesticides; pharmaceutical products; and hazardous waste.

¹ See https://www.wto.org/english/docs_e/legal_e/23-lic_e.htm.

licences ranged from three days to two weeks, and the validity periods from one month to five years.

Fertilizers and pesticides

Fifty WTO members had notified import licensing procedures on fertilizers and pesticides as of December 2020. The main objective of these procedures is to protect human, animal or plant life or health, and to monitor trade flows. Nineteen WTO members provided information on the type of import licensing procedure in place, of which 12 were non-automatic.

Eight members had import licensing regimes that administered quotas. The processing time for licences varied from one working day to six months, and the validity periods from one month to five years.

Pharmaceutical products

Fifty-nine WTO members had submitted notifications on import licensing procedures on pharmaceutical products as of December 2020. Import licensing on these products aims to ensure that imported products meet the specific standards of safety, quality and efficacy, and that they do not pose any risk to human, animal or plant life or health. Seventeen members clarified the type of import licensing procedure in place, of which 13 were non-automatic. The validity periods for licences varied from one month to five years.

Hazardous waste

Thirty-six WTO members had provided information on import licensing procedures on hazardous waste as of December 2020. These procedures aim to minimize and/or eliminate the risks posed by these products to human and animal life and health and to the environment as a whole, and to comply with international obligations under the **Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention)**,² which seeks to protect human health and the environment against the adverse effects of

hazardous wastes. Out of a total of 188 parties to the Basel Convention, 158 are WTO members. Out of 13 WTO members that had indicated the type of import licensing procedure adopted, 12 applied non-automatic import licensing, and one a non-automatic import licensing system to administer quotas. Processing time for licences varied from one week to six months, and validity periods varied from one month to five years.

While some product categories require a prior authorization as part of their import licensing process, the operation of single windows and other online platforms has substantially streamlined these procedures.

Around 13 per cent of members have reported that the importation of hazardous chemicals, fertilizers and pesticides, pharmaceutical products and hazardous waste required prior authorization/registration/certification as part of the licensing process. Members set up national single windows and other online portals/platforms to streamline import licensing procedures and to speed up the processing of applications. According to members' notifications, prior authorization/registration/certification obtained through these centralized systems significantly reduces the number of agencies an importer has to approach.

Quality and quantity of notifications

While positive developments in the quantity of import licensing notifications to the WTO have been reported, there is still a significant margin for improvement in terms of both the quantity and the quality of these notifications among all WTO members. Potential improvements include: (1) specific and complete answers to all the questions in the annual questionnaire; (2) an indication of Harmonized System (HS) codes for the products notified; (3) the separation of import licensing procedures by product categories, relevant regulations or responsible agencies, and (4) linking the information provided in the quantitative restrictions notifications to the import licensing notifications.



² See <http://www.basel.int>.

Introduction

Non-tariff measures (NTMs) are extensively used by governments to support a wide range of public policy objectives, including economic development strategies, protection of the lives and health of the population, safeguarding of the environment and national security. While legitimate, NTMs are not always transparent, fair and equitable. As a consequence, they may create additional barriers to trade, which may in turn lead to higher costs for suppliers and, ultimately, for consumers.

Import licensing is defined in Article 1 of the ILP Agreement:



For the purpose of this Agreement, import licensing is defined as administrative procedures used for the operation of import licensing regimes requiring the submission of an application or other documentation (other than that required for customs purposes) to the relevant administrative body as a prior condition for importation into the customs territory of the importing Member.

Those procedures referred to as 'licensing' as well as other similar administrative procedures.

These procedures are among the NTMs most widely used by governments in international trade policy. Although much has been written about various types of NTM, the topic of import licensing measures remains largely unexplored. Import licensing procedures are used by most WTO members and are applied to a wide range of traded products, such as chemicals, agricultural products and vehicles. Despite this broad use, public information available on these measures is limited. In this regard, the WTO remains the only international organization that systematically collects import licensing data through official notifications from its members under the ILP Agreement. This paper aims to provide an overview of import licensing procedures used by WTO members across the five sectors, which as mentioned earlier, are those in which these procedures are prevalent. It illustrates the key elements of import licensing procedures and explains the differences and commonalities in their application by members.

This paper is structured as follows: Part I provides a brief historical background on import licensing and an overview of the ILP Agreement; Part II contains an analysis of the five sectors (i.e. hazardous chemicals, rough diamonds, fertilizers and pesticides, pharmaceutical products, hazardous waste); and Part III sets out a brief conclusion.

While providing a general overview of these five sectors, this review does not attempt to collect comprehensive information on import licensing in the sectors examined. This is largely due to the fact that many import licensing procedures are not notified to the WTO or otherwise publicly available. In addition, the quality of a substantial number of these notifications requires improvement. Thus, in this first analysis, we cover these five sectors, based on the notifications received as of December 2020.

Methodology

The sectoral analysis is based on the information and data retrieved from the responses to the annual questionnaires submitted under Article 7.3 of the ILP Agreement. The list of WTO members that have notified their import licensing procedures under any of these five sectors, including their respective annual questionnaire notifications, is available in table format under each sector under review.

When used in notifications of licensing procedures, HS codes have allowed for the identification of product categories corresponding to the five sectors. However, not all members that have notified import licensing procedures under these five sectors have provided the HS codes corresponding to the products notified. In some cases, therefore, this paper assumes that certain notifications that do not use HS codes nevertheless concern products in these five sectors. For example, members that have notified product categories such as “toxic chemicals, dangerous chemicals and substances” were included in the list of members that notified import licensing procedures under the “hazardous chemicals” sector. These WTO members are marked with an asterisk (*) in the respective tables.



Part I

Background on import licensing

At the end of the 1960s, an NTM or a non-tariff barrier (NTB) was defined as “any law, regulation, policy, or practice of a government, other than an import duty, that had a restrictive effect on trade” (Jackson, 1969). More recently, NTM is often referred to all government actions which affect the import of goods. Many of these NTMs do not discriminate against or put the imported good at a disadvantage. Certain NTMs, such as standards, can even have a positive effect on trade if they are harmonized across countries (Santana and Jackson, 2012). Such measures can be classified depending on the trade flow that they affect, and can be divided into: those imposed on imports, such as import licensing and customs procedures; those imposed on exports, such as export taxes and export restrictions; and those imposed internally or behind borders. Internal measures include health and product standards and domestic subsidies (Staiger, 2012).

The wide variety in the different types of NTM can be partly explained by their evolving nature. While in the early years of the General Agreement on Tariffs and Trade (GATT), these measures related more to balance-of-payments or to employment and development issues, currently they relate more to technical and to sanitary and phytosanitary issues, or to health and environmental issues.

Historically, economies made use of NTMs to achieve various policy objectives, including to correct such market failures as information asymmetries or negative externalities. In this context, the purpose of NTMs is to ensure that imported products conform to by specific standards or domestic legislation. However, NTMs may also be used to protect domestic industries from foreign competition. The fact that these tools can be used to pursue various objectives underlines the challenge of distinguishing between legitimate and protectionist reasons for applying NTMs, and of identifying instances where they create an unnecessary burden to businesses by increasing their costs (WTO, 2012). In practice, many NTMs often increase the cost and time for trade and are absolutely legitimate.

Much has been written about the trade effects of NTMs, but the empirical results vary, depending on the types of NTM, product category and level of detail in the studies. Research by Djankov *et al.* (2006), for example, find that “each additional day that a product is delayed prior to being shipped reduces trade by at least 1 percent.” Kee *et al.* (2009) demonstrate that NTMs almost doubled the level of trade restrictiveness imposed by tariffs. These and other results largely converge to a general conclusion that, if these measures are not applied in a fair, transparent and equitable manner, they are very likely to create unnecessary barriers to trade.

Agreement on Import licensing procedures

There are a number of provisions relating to import and export licensing in GATT 1994. Notably, Article XI generally prohibits restrictions on the importation and exportation of any product “whether made effective through quotas, import or export licences or other measures”. In addition, basic rules on import and export licensing procedures are contained in Articles VIII, X and XIII of GATT 1994. Article VIII Fees and Formalities connected with Importation and Exportation sets out a very broad framework for both import and export licensing procedures and states in paragraph 1(c) that members “recognize the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and export documentation requirements.” Article VIII:4 clarifies that,

“The provisions of this Article shall extend to fees, charges, formalities and requirements imposed by governmental authorities in connection with importation and exportation, including those relating to: ... (c) licensing; ... (f) documents, documentation and certification; ...”.

The ILP Agreement – along with the agreements on anti-dumping measures, government procurement, technical barriers to trade and subsidies, among others – was developed during the Tokyo Round negotiations (1973-1979). These plurilateral agreements were known as “codes”, as only a relatively small number of GATT contracting parties subscribed to these arrangements.³

3 This Agreement entered into force on 1 January 1980. As of 16 October 1986, there were 26 signatories to the Agreement: Argentina; Australia; Austria; Canada; Chile; Czechoslovakia; Egypt; European Economic Community; Finland; Hong Kong; Hungary; India; Japan; New Zealand; Nigeria; Norway; Pakistan; Philippines; Poland; Romania; Singapore; South Africa; Sweden; Switzerland; United States and Yugoslavia. WTO document L/6064. See https://www.wto.org/english/docs_e/lega_e/prewto_lega_e.htm.

During the Uruguay Round, the ILP Agreement was incorporated in the Marrakesh Agreement Establishing the World Trade Organization and it became binding upon all WTO members.

The main objective of the ILP Agreement is to simplify and bring transparency to import licensing procedures. It recognizes the usefulness of import licensing for certain purposes, including to administer some measures adopted pursuant to the relevant provisions of GATT 1994 but, at the same time, that the flow of international trade should not be impeded by the inappropriate use of import licensing procedures. It also strives to ensure that the administration of procedures is applied in a fair and equitable manner and do not have a restrictive or distortive effect on imports.

The “administrative procedures” referred to in Article 1:1 of the ILP Agreement “are understood to include technical visas, surveillance systems, minimum price arrangements, and other administrative reviews effected as a prior condition for entry of imports.”⁴

All WTO members are required to notify their laws, rules and procedures on import licensing as well as changes to these regulations. Moreover, Article 7:3 of the ILP Agreement requires that all members complete the annual questionnaire on import licensing procedures.⁵ Import licensing procedures are generally used by governments in the following ways:

1. to keep track of imports for statistical purposes;
2. to apply import restrictions with a view to achieving other policy objectives, such as to protect human, animal or plant life or health, to safeguard the environment, or to protect national security or to fulfil obligations under other international treaties⁶; or
3. to administer quantitative restrictions (e.g. to manage quota allocations).

Two categories of import licensing procedures are identified in the ILP Agreement: (i) automatic import licensing (Article 2); and (ii) non-automatic import licensing (Article 3).

Automatic import licensing is defined as an import licensing procedure where approval of the application is granted in all cases, and where there is no restrictive effect on trade. In addition, import licensing is categorized as automatic if the following conditions are met, namely:

1. anyone legally qualified to import the products concerned must be able to apply for and obtain a licence;
2. applications must be acceptable on any working day before the goods are cleared through customs; and
3. applications correctly completed must be approved either immediately or within ten working days.

Import licensing procedures that do not meet these conditions are regarded as non-automatic.

⁴ WTO document G/LIC/3.

⁵ Pursuant to Articles 1:4(a) and 8.2(b) of the ILP Agreement and procedures agreed by the Committee on Import Licensing, all members are required to notify their laws, regulations and administrative procedures relevant to import licensing and submit copies of any relevant publications or laws and regulations upon becoming a WTO member. Any subsequent changes to these laws, regulations and administrative procedures are also required to be notified. Article 5.1 states that members shall notify the Committee of licensing procedures and any changes to these procedures within 60 days of publication. It also provides for more detailed information to be notified.

⁶ Examples include the Basel and Rotterdam Conventions, the Stockholm Convention on Persistent Organic Pollutants (Stockholm Convention), the Montreal Protocol on Substances that Deplete the Ozone Layer (Montreal Protocol) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Part II

Sectoral review

The sectoral review part provides an analysis of the five sectors, based on 184 notifications submitted by WTO members as of December 2020. The sectors were chosen because they exhibit the frequent application by WTO members of import licensing procedures. In addition, the import licensing procedures implemented in these sectors generally aim to achieve various policy objectives, such as: to protect human, animal or plant life or health; to safeguard the environment; and to comply with other international agreements.

Each section first provides a brief overview of international trade in these products as regulated under various international conventions, followed by an analysis of import licensing procedures based on members' notifications.



1. HAZARDOUS CHEMICALS

ROTTERDAM CONVENTION

Import licensing measures on hazardous chemicals are widely used by WTO members. Nonetheless, only 26 members have submitted notifications to the WTO of import licensing procedures on hazardous chemicals. The number of members applying licensing procedures on this type of good is likely to be significantly higher, considering that 147 WTO members are also party to the Rotterdam Convention. A few members entirely prohibit the importation of hazardous chemicals.

As notified by members, import licensing measures on hazardous chemicals essentially aim to protect human, animal or plant life or health and to comply with international obligations, namely the Rotterdam Convention. Only one third of members reported the type of import licensing in place by indicating that their import licensing procedures were non-automatic. Three members had licensing procedures that administered quotas. With regard to documentation requirements for the application and importation processes, a few members, along with the standard document requirements, have also indicated certain specific requirements, including additional certificates and permits obtained from other agencies. Import licensing fees depend on the quantity and value of the hazardous chemicals to be imported, and the validity period for licences varies greatly across members.

1.1. International trade in hazardous chemicals

1.1.1. International trade regulation of hazardous chemicals under the Rotterdam Convention

Rotterdam Convention

The Food and Agriculture Organization of the United Nations (FAO) and the United Nations Environmental Programme (UNEP) jointly perform the secretariat functions for the Rotterdam Convention (FAO/WHO, 2015):

“The growing world trade of chemicals during the 1960s and 1970s raised concerns about the risks linked to the use of hazardous chemicals. These concerns eventually led to the adoption in 1987, by the UNEP Governing Council, of the London Guidelines for the Exchange of Information on Chemicals in International Trade.

The Prior Informed Consent (PIC)

procedure was added to the London Guidelines in 1989. Its aims were to help importing countries learn more about the potential hazards of chemicals being shipped to them, establish a decision-making process on future imports and encourage exporting countries to take measures to prevent the export of unwanted pesticides. In 1998, the PIC procedure was incorporated into a legally binding instrument, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention). The Convention entered into force in 2004 and applies to pesticides as well as industrial chemicals.”

Under the Rotterdam Convention⁷, a chemical is defined as a “substance whether by itself or in a mixture or preparation and whether manufactured or obtained from nature, but does not include any living organism.” The provisions of the Rotterdam Convention apply to:

1. banned or severely restricted chemicals; and
2. severely hazardous pesticide formulations.⁸

All the chemicals subject to the Prior Informed Consent (PIC) procedure are listed in Annex III of the Rotterdam Convention.

⁷ As of December 2020, the Rotterdam Convention had 164 parties (see online information at <http://www.pic.int>).

⁸ It has to be noted that some hazardous chemicals listed under the Rotterdam Convention are also listed under: the Agreement on Trade in Civil Aircraft; the Basel Convention; the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988; the Convention on Psychotropic Substances of 1971; the Montreal Protocol; the Organisation for Economic Co-operation and Development (OECD) Council Decision OECD/LEGAL/0266 including the waste lists (green, amber, red); the Single Convention on Narcotic Drugs of 1961, as amended by the 1972 Protocol; the Agreement on Trade in Pharmaceutical Products (Pharma Agreement); and resolution 49/3 of the Commission on Narcotic Drugs on strengthening systems for the control of precursor chemicals used in the manufacture of synthetic drugs. Detailed information on specific products and correlations between the HS and international conventions is available at <http://www.wcoomd.org/en/online-services.aspx>.

There are a total of 52 chemicals: 35 pesticides (including 3 severely hazardous pesticide formulations); 16 industrial chemicals; and 1 chemical in both the pesticide and the industrial chemical categories.

The Rotterdam Convention aims to promote a shared responsibility and cooperative efforts among parties in the international trade of these hazardous chemicals in order to protect human health and the environment from potential harm and to contribute to their environmentally sound use.

Import and export regulations of the Rotterdam Convention

The Rotterdam Convention sets out three key elements of the import and export of chemicals between parties:

1. PIC Procedure;
2. Export Notification; and
3. Labelling.

Prior Informed Consent procedure

The PIC procedure applies to chemicals listed in Annex III of the Rotterdam Convention. It comprises two stages, each of which has a specific time limit. At the first stage, the Decision Guidance Document (DGD) for each chemical is prepared by the secretariat of the Rotterdam Convention and sent to the parties. The parties have to take a decision on whether they will: (i) consent to import; (ii) not consent to import; or (iii) consent to import only subject to specified conditions (Article 10:4). These decisions – so-called import responses – are subsequently compiled by the secretariat of the Rotterdam Convention and circulated among all the parties every six months via the PIC circular. At the second stage, the exporting parties should ensure that a chemical listed in Annex III is not exported from its territory to any importing party that has not provided an import response, unless (Article 11:2):

- a. “It is a chemical that, at the time of import, is registered as a chemical in the importing Party; or
- b. It is a chemical for which evidence exists that it has previously been used in, or imported into, the importing Party and in relation to which no regulatory action to prohibit its use has been taken; or
- c. Explicit consent to the import has been sought and received by the exporter through a designated national authority of the importing Party ...”.

Export Notification

In addition to PIC procedures, the Rotterdam Convention also contains the requirement for parties that have banned or severely restricted a chemical in their own territory to notify importing parties of this fact through an export notification. These notifications are provided from exporting to importing parties for that chemical before the first export in each calendar year. The following information is requested, *inter alia*, in the notifications (Annex V:1):

- a. “Name and address of the relevant designated national authorities of the exporting Party and the importing Party;
- b. Expected date of export to the importing Party;
- c. Name of the banned or severely restricted chemical ...;
- d. A statement indicating, if known, the foreseen category of the chemical and its foreseen use within that category in the importing Party;
- e. Information on precautionary measures to reduce exposure to and emission of, the chemical;
- f. In case of a mixture or a preparation, the concentration of the banned or severely restricted chemical or chemicals in question;
- g. Name and address of the importer;
- h. Any additional information that is readily available to the relevant designated national authority of the exporting Party that would be of assistance to the designated national authority of the importing Party.”

Labelling

The final key element of the Rotterdam Convention – labelling – requires that all chemicals listed in Annex III and chemicals banned or severely restricted at the national level are appropriately labelled and accompanied with basic health and safety information in the form of HS custom codes and a safety data sheet in the official language(s) of the importing party.

1.1.2. Rotterdam Convention and the WTO

As of December 2020, the Rotterdam Convention had 169 participants; it entered into force for 164 of these participants, which ratified it and became parties to the Convention. Of these parties, 147 are also WTO members, while 17 WTO members are not party to the Convention and 19 parties are not WTO members (Table 1). A steady increase in trade in hazardous chemicals among Rotterdam Convention parties has drawn attention to the potential risks to human and animal health and to the environment associated with the use of these products.

Table 1: Membership of the WTO and the Rotterdam Convention (as of August 2021)

WTO members party to the Convention	Afghanistan; Albania; Antigua and Barbuda; Argentina; Armenia; Australia; Austria; Kingdom of Bahrain; Barbados; Belgium; Belize; Benin; Plurinational State of Bolivia; Botswana; Brazil; Bulgaria; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Canada; Chad; Chile; China; Colombia; Congo; Costa Rica; Côte d'Ivoire; Croatia; Cuba; Cyprus; Czech Republic; Democratic Republic of the Congo; Denmark; Djibouti; Dominica; Dominican Republic; Ecuador; El Salvador; Estonia; Eswatini; European Union; Finland; France; Gabon; Gambia; Georgia; Germany; Ghana; Greece; Guatemala; Guinea; Guinea-Bissau; Guyana; Honduras; Hong Kong, China; Hungary; India; Indonesia; Ireland; Israel; Italy; Jamaica; Japan; Jordan; Kazakhstan; Kenya; Republic of Korea; State of Kuwait; Kyrgyz Republic; Lao People's Democratic Republic; Latvia; Lesotho; Liberia; Liechtenstein; Lithuania; Luxembourg; Macao, China; Madagascar; Malawi; Malaysia; Maldives; Mali; Malta; Mauritania; Mauritius; Mexico; Republic of Moldova; Mongolia; Montenegro; Morocco; Mozambique; Namibia; Nepal; Netherlands; New Zealand; Nicaragua; Niger; Nigeria; North Macedonia; Norway; Oman; Pakistan; Panama; Paraguay; Peru; Philippines; Poland; Portugal; Qatar; Romania; Russian Federation; Rwanda; Saint Kitts and Nevis; Saint Vincent and the Grenadines; Samoa; Kingdom of Saudi Arabia; Senegal; Sierra Leone; Singapore; Slovak Republic; Slovenia; South Africa; Spain; Sri Lanka; Suriname; Sweden; Switzerland; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Uganda; Ukraine; United Arab Emirates; United Kingdom; Uruguay; Vanuatu; Bolivarian Republic of Venezuela; Viet Nam; Yemen; Zambia; Zimbabwe.
WTO members which are not party to the Convention	Angola (signed but not ratified); Bangladesh; Brunei Darussalam; Central African Republic; Egypt; Fiji; Grenada; Haiti; Iceland; Myanmar; Papua New Guinea; Saint Lucia (signed but not ratified); Seychelles (signed but not ratified); Solomon Islands; Chinese Taipei; Tajikistan (signed but not ratified); United States (signed but not ratified).
Rotterdam Convention parties which are not WTO members	Algeria, Bosnia and Herzegovina, Cook Islands, Democratic People's Republic of Korea, Equatorial Guinea, Eritrea, Ethiopia, Iran, Iraq, Lebanese Republic, Libya, Marshall Islands, Palestine, Sao Tomé and Principe, Serbia, Somalia, Sudan, Syrian Arab Republic, Tuvalu.

Source: Rotterdam Convention online information available at <http://www.pic.int>

^a See footnote 7, <http://www.pic.int/Countries/Statusofratification/PartiesandSignatories/tabid/1072/language/en-US/Default.aspx>

^b See footnote 6, <http://www.pic.int/Countries/Statusofratification/PartiesandSignatories/tabid/1072/language/en-US/Default.aspx>

Table 2 below sets out the classification of hazardous chemicals – listed in Annex III of the Convention and therefore subject to PIC procedure – according to the World Customs Organization (WCO) HS.

Table 2: HS classification of hazardous chemicals

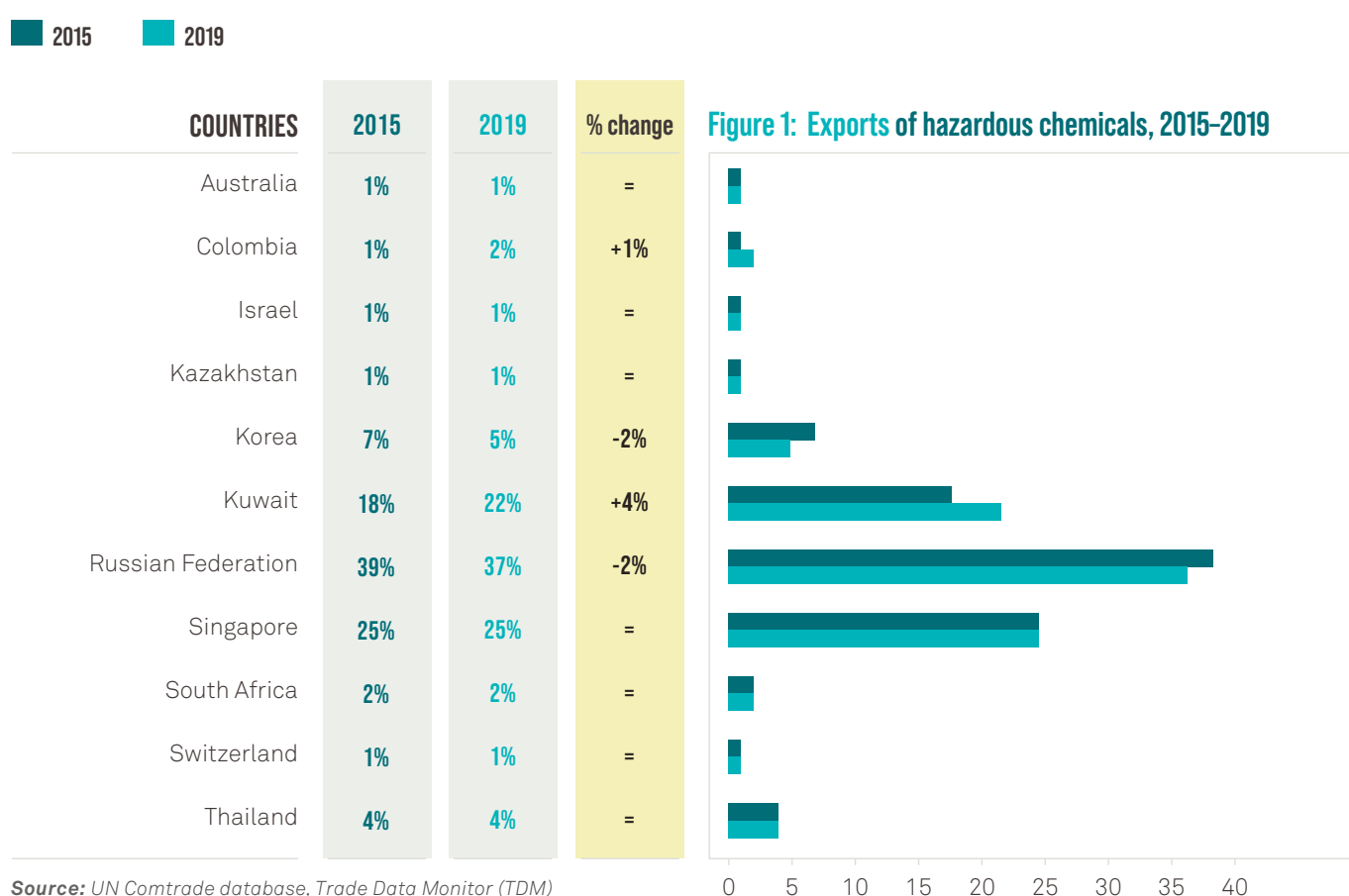
HS code 2017	Description	
2524.10	Crocidolite asbestos	
2524.90	Actinolite asbestos Anthophyllite asbestos Amosite asbestos	
2852.10	Mercury compounds including inorganic mercury compounds, alkyl mercury compounds and alkyloxyalkyl and aryl mercury compounds	
2903.15	Ethylene dichloride	
2903.31	1,2-dibromoethane (ethylene dibromide, EDB)	
2903.81	Hexachlorocyclohexane (HCH) (mixed isomers) Lindane	
2903.82	Chlordane Heptachlor	
2903.92	Dichlorodiphenyltrichloroethane (DDT) Hexachlorobenzene	
2903.94	Polybrominated biphenyls (PBB) • (hexa-)	
2903.99	Polybrominated biphenyls (PBB) • (octa-) • (deca-)	
2904.31	Perfluorooctane sulfonic acid, perfluorooctane sulfonates, perfluorooctane sulfonamides and perfluorooctane sulfonyls	
2904.32	Ammonium perfluorooctane sulfonate	
2904.33	Lithium perfluorooctane sulfonate	
2904.34	Potassium perfluorooctane sulfonate	
2904.36	Perfluorooctane sulfonyl fluoride	
2908.11 2908.19	Pentachlorophenol and its salts and esters	
2908.91	Dinoseb and its salts	
2908.92	Dinitro-o-cresol (DNOC) and its salts (i.e. ammonium salt, potassium salt, sodium salt)	
2909.30	Commercial octabromodiphenyl ether including: • Hexabromodiphenyl ether • Heptabromodiphenyl ether	Commercial pentabromodiphenyl ether including: • Tetrabromodiphenyl ether • Pentabromodiphenyl ether
2910.10	Ethylene oxide	

HS code 2017	Description
2910.40	Dieldrin
2915.36	Dinoseb acetate
2916.16	Binapacryl
2918.18	Chlorobenzilate
2918.91	2,4,5-trichlorophenoxyacetic acid and its salts and esters
2919.10	Tris (2,3-dibromopropyl) phosphate
2920.11	Methyl-parathion (emulsifiable concentrates, EC, with 19.5%, 40%, 50%, 60% active ingredient and dusts containing 1.5%, 2% and 3% active ingredient) Parathion
2920.30	Endosulfan
2924.12	Phosphamidon (soluble liquid formulations of the substance that exceed 1000 g active ingredient/L): • Mixture, (E) and (Z) isomers
2924.25	Alachlor
2922.16	Perfluorooctane sulfonic acid, perfluorooctane sulfonates, perfluorooctane sulfonamides and perfluorooctane sulfonyls including: • Diethanolammonium perfluorooctane sulfonate
2923.30	Tetraethylammonium perfluorooctane sulfonate
2923.40	Didecyldimethylammonium perfluorooctane sulfonate
2930.80	Aldicarb Captafol Methamidophos (soluble liquid formulations of the substance that exceed 600 g active ingredient/L)
2931.10	Tetramethyl lead
2931.20	Tributyltin compounds
2933.92	Azinphos-methyl
2935.10	Perfluorooctane sulfonic acid, perfluorooctane sulfonates, perfluorooctane sulfonamides and perfluorooctane sulfonyls including: • N-methylperfluorooctane sulfonamide
2935.20	N-ethylperfluorooctane sulfonamide
2935.30	N-ethyl-N-(2-hydroxyethyl) perfluorooctane sulfonamide
2935.40	N-(2-hydroxyethyl)-N-methylperfluorooctane sulfonamide

Source: WCO online information and correlations between the HS and international conventions available at <http://www.wcoomd.org/en/online-services.aspx>.

International trade in hazardous chemicals increased significantly in 2015-2019. Exports of hazardous chemicals increased from **US\$ 172.8 billion in 2015 to US\$ 183.4 billion in 2019**. The main exporters during this period were the Russian Federation, Singapore, the Republic of Korea and the State of Kuwait (Figure 1). With respect to imports, the total amount increased from **US\$ 119.1 billion in 2015 to US\$ 142.6 billion in 2019**.

In 2015 and 2019, the main importers were: Singapore, the Republic of Korea; Australia; Hong Kong, China (Figure 2)⁹.



9 In 2020, exports of hazardous chemicals decreased to US\$ 114.5 billion and imports – to US\$ 96.3 billion.

The WTO and its predecessor, GATT, have established a set of international trade rules, followed by over 164 countries and separate customs territories since 1947. Through negotiations, the GATT/WTO disciplines have been strengthened and their coverage expanded ever since. Trade in hazardous chemicals falls under the WTO disciplines for trade in goods and is therefore subject to rules set forth in GATT 1994, the ILP Agreement and other relevant WTO agreements. For example, Article XX General Exceptions of GATT 1994 contains a series of exceptions available to those WTO members willing to deviate from the GATT obligations. In particular, WTO members can adopt measures necessary to protect human, animal or plant life or health:



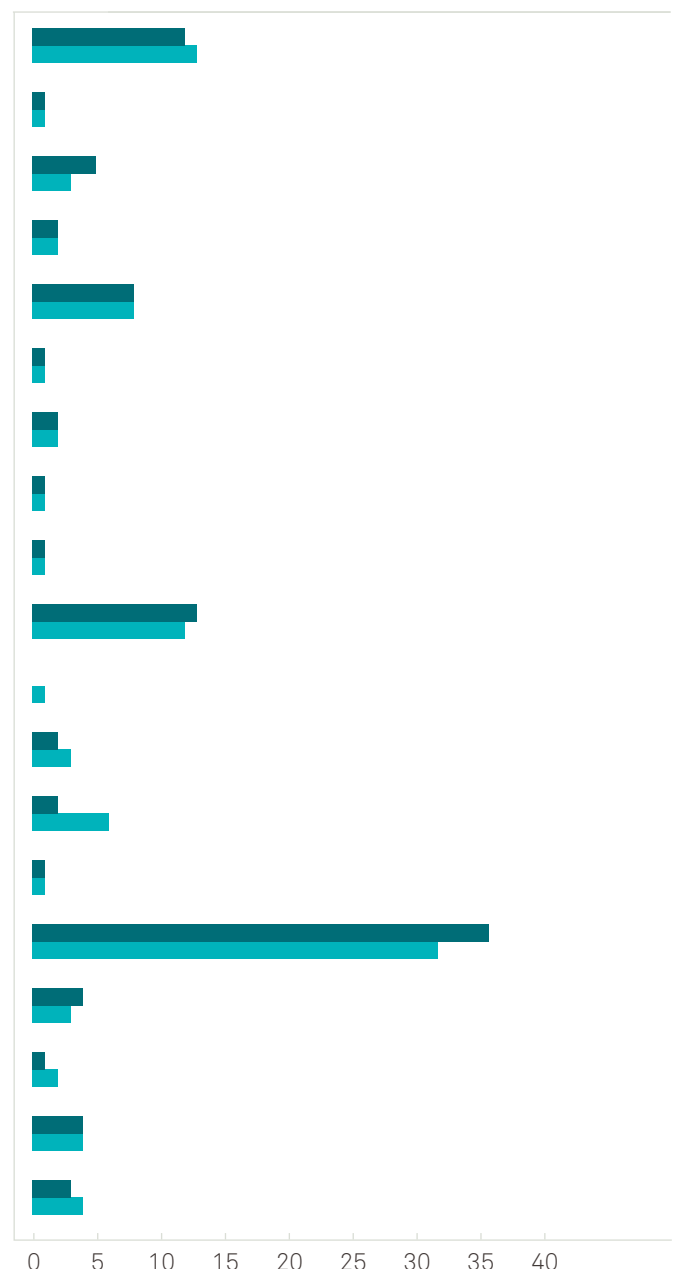
Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any contracting party of measures:

- b.** necessary to protect human, animal or plant life or health;
- g.** relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption;

■ 2015 ■ 2019

COUNTRIES	2015	2019	% change
Australia	12%	13%	+1%
Bolivia	1%	1%	=
Colombia	5%	3%	+2%
Ecuador	2%	2%	=
Hong Kong China	8%	8%	=
Iceland	1%	1%	=
Israel	2%	2%	=
Jordan	1%	1%	=
Kazakhstan	1%	1%	=
Korea	13%	12%	-1%
Mauritius	—	1%	+1%
Myanmar	2%	3%	+1%
Philippines	2%	6%	+3%
Russian Federation	1%	1%	=
Singapore	36%	32%	-4%
South Africa	4%	3%	-1%
Sri Lanka	1%	2%	+1%
Switzerland	4%	4%	=
Thailand	3%	4%	+1%

Figure 2: Imports of hazardous chemicals, 2015-2019



Source: UN Comtrade database, Trade Data Monitor (TDM)

GATT Article XX(b) has been used to justify measures that aim to protect public health or the protection of the environment. Measures for the protection of the environment have often been justified by WTO members by also using GATT Article XX(g) (Mavroidis, 2012).

Import licensing has been extensively used by governments to manage the import of hazardous chemicals to protect public health or the environment. Under the ILP Agreement, WTO members are obliged to notify all import licensing rules, products subject to these rules, as well as details on import licensing procedures.

Both the Rotterdam Convention and the ILP Agreement provide for specific trade policy requirements to be implemented or complied with by parties and members. Through implementation of these requirements, the Rotterdam Convention aims “to protect human health ... and the environment against potentially harmful impacts from certain hazardous chemicals and pesticides in international trade”; in contrast, the ILP Agreement aims “to simplify, and bring transparency to, the administrative procedures and practices used in international trade, and to ensure the fair and equitable application and administration of such procedures and practices”.

Some of these requirements relate to the publication, availability and exchange of information. Both instruments contain provisions in these areas. Specifically, Article 1:4(a) of the ILP Agreement provides details on what type of information must be published (namely, rules and procedures concerning the submission of applications and eligibility of persons) and sets a concrete time frame for publication (wherever practicable, 21 days before the entry into force, or in all events no later than the date of entry into force). Moreover, it states that the sources of these publications and copies of the legislation must be made available to the WTO Secretariat. In addition, all WTO members should be provided an opportunity to make comments in writing, if they so wish (Article 1:4(b)).

In a similar vein, the Rotterdam Convention contains provisions in Article 14:1 that aim to facilitate:

1. the exchange of information on hazardous chemicals (scientific, technical, economic, legal);
2. the provision of publicly available information on domestic regulatory actions; and
3. the provision of information to other parties directly or through the secretariat of the Convention.

In addition to publication requirements, both instruments have specific notification requirements and procedures. WTO members have to notify their import licensing laws, regulations and procedures and any changes thereof within 60 days of publication. Article 5 of the ILP Agreement provides a complete list of information to be notified; namely, list of products, contact points for information, administrative body or bodies for the submission of applications, and date and name of publication. Moreover, all WTO members also have to submit an annual questionnaire on import licensing procedures before 30 September of each year (Article 7:3).

Under the Rotterdam Convention, parties have to notify their final regulatory actions and responses concerning the import of the chemicals listed in Annex III and therefore subject to PIC. Written notifications regarding final regulatory actions have to be notified to the secretariat in writing as soon as possible and no later than 90 days after this final regulatory action has taken effect (Article 5:1).¹⁰ With regard to response notifications, they also have to be notified as soon as possible and no later than nine months after the dispatch of the DGD (Article 10:2).¹¹

10 Article 2(e) of the Rotterdam Convention defines final regulatory action “means an action taken by a Party, that does not require subsequent regulatory action by that Party, the purpose of which is to ban or severely restrict a chemical”.

11 Each chemical proposed for inclusion in Annex III and therefore subject to the PIC procedure is adopted by the Conference of the Parties after its review by the Chemical Review Committee. Once the decision has been taken on its inclusion in Annex III, the DGD is prepared and sent to all the parties.

1.2. Analysis of import licensing procedures on hazardous chemicals from notified Members

As of December 2020, 25 WTO members submitted notifications on import licensing procedures on hazardous chemicals.¹² However, given that 147 WTO members are also party to the Rotterdam Convention, the number of members applying import licensing measures is likely to be significantly higher. Table 3 provides information on the WTO members that apply import licensing procedures on the imports of hazardous chemicals and that have notified these procedures to the Committee on Import Licensing.

Table 3: WTO members that notified import licensing procedures on the importation of hazardous chemicals (as per submitted notifications) and the status of their membership in the Rotterdam Convention

Source: WTO Secretariat; Rotterdam Convention online information available at <http://www.pic.int>.



* Given that these notifications do not use the HS codes to identify the products, it is not clear if and to what extent the product categories notified by these members as dangerous, toxic chemicals and substances, include hazardous chemicals, as defined under the Rotterdam Convention.

** Myanmar notified chemicals and related substances in its G/LIC/N/2/MMR/1 notification, no N3 has been notified as of November 2020.

a See footnote 7, <http://www.pic.int/Countries/Statusofratification/PartiesandSignatories/tabid/1072/language/en-US/Default.aspx>.

b See footnote 6, <http://www.pic.int/Countries/Statusofratification/PartiesandSignatories/tabid/1072/language/en-US/Default.aspx>.



WTO member	WTO notification		Rotterdam Convention (entry into force)
	Document symbol	Date	
Albania	G/LIC/N/3/ALB/10	20 Nov 2020	07 Nov 2010
Australia	G/LIC/N/3/AUS/13	26 Oct 2020	18 Aug 2004
Colombia	G/LIC/N/3/COL/13	16 April 2020	03 Mar 2009
Cuba	G/LIC/N/3/CUB/10	13 Mar 2020	22 May 2008
Hong Kong, China ^a	G/LIC/N/3/HKG/24	19 Oct 2020	26 Aug 2008 ^a
Iceland	G/LIC/N/3/ISL/3	28 Oct 2004	Not party
Israel	G/LIC/N/3/ISR/4	17 Sep 2018	01 Jan 2012
Jordan*	G/LIC/N/3/JOR/3	05 Oct 2016	24 Feb 2004
Kazakhstan	G/LIC/N/3/KAZ/5	19 Oct 2020	30 Jan 2008
Korea, Republic of*	G/LIC/N/3/KOR/13	02 Dec 2020	24 Feb 2004
Kuwait, the State of	G/LIC/N/3/KWT/6	08 Aug 2016	10 Aug 2006
Macao, China ^b	G/LIC/N/3/MAC/23	15 Jul 2020	20 June 2005
Mauritius*	G/LIC/N/3/MUS/10	25 Sep 2020	03 Nov 2005
Moldova, Republic of*	G/LIC/N/3/MDA/3	03 Mar 2015	27 April 2005
Montenegro	G/LIC/N/3/MNE/4	08 Jul 2020	29 Mar 2012
Myanmar**	G/LIC/N/2/MMR/1	23 Mar 2019	Not party
North Macedonia*	G/LIC/N/3/MKD/7	06 Mar 2018	10 Nov 2010
Philippines	G/LIC/N/3/PHL/13	16 Sep 2020	29 Oct 2006
Russian Federation	G/LIC/N/3/RUS/5	09 Oct 2019	27 Jul 2011
Seychelles	G/LIC/N/3/SYC/3	18 Sep 2020	Signed but not ratified
Singapore	G/LIC/N/3/SGP/15	24 April 2020	22 Aug 2005
South Africa	G/LIC/N/3/ZAF/8	04 Nov 2019	24 Feb 2004
Sri Lanka	G/LIC/N/3/LKA/2	19 Feb 2014	19 April 2006
Suriname	G/LIC/N/3/SUR/1	09 Oct 2009	24 Feb 2004
Switzerland and Liechtenstein	G/LIC/N/3/CHE/16	08 Oct 2019	24 Feb 2004 and 16 Sep 2004

¹² Further analysis of import licensing procedures is based on the notifications submitted by these 25 WTO members.

Import licensing procedures on hazardous chemicals implemented by members are generally intended to protect human, animal or plant life or health, and the environment. Eight members¹³ have clarified that they apply non-automatic import licensing procedures. In addition, three members (Cuba, Philippines, Suriname) notified import licensing procedures that administer quotas.¹⁴

Legal requirements

Licensing procedures for imports of hazardous chemicals are required under various laws, regulations, ordinances, and orders in those WTO members that have notified them. Nine members¹⁵ stated that their legislation did not leave the designation of products subject to licensing to administrative discretion. Most members reported that the government (or executive branch) could not abolish the system without legislative approval.

Who is eligible to import

With regard to the eligibility of importers, several common requirements were mentioned by WTO members. They include:

1. a prior registration of importers – in Cuba, Mauritius, Montenegro, Singapore, Sri Lanka, Suriname, and Switzerland and Liechtenstein; and/or
2. an additional licence or permission (e.g. wholesale trading licence, ministerial licence, import card or business activity licence) from specific agencies before the application for an import permit or licence.

The latter is needed in Albania, Iceland, Jordan and the Seychelles. A list of authorized importers and traders, if applicable, is published on the website of the respective agencies. Israel reported that in some cases, there is a registration fee.

Information and documentation requirements for application and approval procedures

Information requested in import licence applications generally includes, *inter alia*:

1. name of the applicant;
2. business name and tax number;
3. specification of products, description and code;
4. quantity – expressed in the measuring units; and
5. mode of transport.

Specifically with respect to the importation of hazardous waste, additional information is required, such as: the exporter's name and address; a statement of intent; and the period during which importation and exportation is to be carried out.

With regard to the documentation requirements for licence applications, members request a variety of documents, such as:

1. transport contract;
2. request letter;
3. registration certificate with an identification number of a taxpayer;
4. certificate of origin;
5. a *pro forma* invoice covering the importation applied for;
6. financial statements;
7. export application;
8. national identity card; and
9. indent form.

In some instances, additional certificates and permits from other agencies (e.g. chambers of commerce) are required prior to the application submission.

No member indicated any specific limitations on the period of the year during which an application for a licence can be made. Importers are, however, required to submit their application(s) before shipment and to consider the processing time of these applications. Given the nature of the product and the specific procedures relating to the Rotterdam Convention, a licence can rarely be granted immediately upon request. Nevertheless, a few members (the State of Kuwait, South Africa, Suriname) did indicate that licences could be granted immediately upon request.

¹³ Colombia; Hong Kong, China; Israel; Jordan; Republic of Korea; the State of Kuwait; Myanmar; Sri Lanka.

¹⁴ With respect to Colombia (WTO document G/LIC/N/3/COL/13)), it is not clear whether "non-automatic products" are subject to quantitative restrictions (e.g. quotas).

¹⁵ Cuba; Hong Kong, China; the State of Kuwait; Macao, China; Mauritius; Montenegro; North Macedonia; Seychelles; Singapore.

Fees and other formalities

None of the members that have notified import licensing procedures to the WTO requires any deposit or advance payment associated with the issue of a licence. Nine members reported that they charged fees associated with the issuance of a licence. These fees varied widely among members depending on the quantity and value of the hazardous chemicals to be imported.¹⁶

Seven members reported that they applied no fees in relation to the issuance of a licence.¹⁷

Refusal and appeal

Applications are generally not rejected unless they fail to meet the set criteria. Three members (Australia, Mauritius, Philippines) reported additional reasons for rejection. In the case of Australia, an application for permission to import polychlorinated biphenyls (PCBs), polychlorinated triphenyls (PCTs) and polychlorinated polyphenyls could be refused on the discretion of the Minister for Home Affairs or an authorized person.¹⁸ In Mauritius, a licence may be refused if it is suspected that the import of the dangerous chemicals is not for legitimate use. In this case, there is no appeal procedure. The Philippines stated that the reasons for a rejection might include, *inter alia*, the following: a licence registration previously suspended or revoked; pending administrative, civil or criminal cases; and a failure to demonstrate adequate security for the storage of a controlled substance.

In the case of a refusal, 15 members provide information on the rationale and 5 of them do so in writing.¹⁹ In the majority of members, applicants have the right of appeal in the respective agencies; for example, agencies or the office responsible for health and environmental matters, administrative disputes codes or administrative appeals boards. With respect to the validity periods of licences, they differ from member to member – generally varying from one month to five years.

Other conditions for importation

The necessary documents for importation usually include, *inter alia*, the following:

1. import declaration;
2. import approval;
3. commercial invoice;
4. Bill of Lading;
5. special licence originals;
6. certificate of origin;
7. cargo (shipment) declaration; formal customs entry;
8. valid certificate of registration;
9. *pro forma* invoice; and
10. transport documents and various specifications.

Only five members required a prior permission and authorization – generally obtained from other agencies – for the importation of hazardous chemicals.

Foreign exchange requirements

Twenty-three members reported that they either had no limitation on foreign exchange, or that the questions on foreign exchange in the WTO import licensing questionnaire were not applicable to them. With respect to specific formalities to be fulfilled to obtain foreign exchange, six members responded with the following requirements: filling out international transaction forms, and forms with the name and ID number of the importer; presenting an import contract; and subsequent banking procedures. Five members (Iceland, Jordan, the Republic of Moldova, Seychelles, Suriname) reported that they did not require any licence to obtain foreign exchange and that foreign exchange was always available to cover licences issued.

16 As indicated in the members' notifications, these fees amount to: Colombia, US\$ 750; Cuba, CUP 897 (US\$ 35); Hong Kong, China, HK\$ 1,280/1,710 (US\$ 165/220); Kazakhstan, 10 monthly calculated indices (MCIs) (in 2020, KZT 2,778 (US\$ 7)); Mauritius, MUR 200 (US\$ 5); Montenegro, € 40 (US\$ 47); Philippines, PHP 5,000 (US\$ 100), regulatory fee charged for controlled substances varies PHP 5001,500 (US\$ 1030) depending on the quantity of the controlled substance imported; S\$ 115 (US\$ 85) for an annual permit fee and S\$ 525 (US\$ 390) for an annual licence fee in Singapore; and RUB7,500 (US\$ 100) in the Russian Federation. Conversions are rounded to US dollars as of 26 August 2021.

17 Iceland; Republic of Korea; the State of Kuwait; Macao, China; Seychelles; South Africa; Suriname.

18 No right to appeal exists against the Minister's decision (on PCBs, PCTs and polychlorinated polyphenyls) or the decision of the Executive Director of the Australian Industrial Chemicals Introduction Scheme (on other chemicals listed in the Rotterdam Convention). The latter approves importation of other chemicals listed in the Rotterdam Convention.

19 Australia, 1-2 years; Colombia, 6 months; Hong Kong, China, 1 year; Iceland, 6 months; Israel, 2-5 years depending on the nature of goods; Jordan, 1 year; Republic of Korea, 1 year; State of Kuwait, 1 year; Macao, China, 30 days; Mauritius, 3 months; Republic of Moldova, 1-5 years; Montenegro, during the period specified in the licence and until the end of the current year; North Macedonia, 3-6 months; Philippines, 1 year; Seychelles, 1 year; Singapore, 1 year; Sri Lanka, up to 1 year; South Africa, 12 months; Suriname, 3 months; Switzerland and Liechtenstein, 1 year.

2. ROUGH DIAMONDS

KIMBERLEY PROCESS

Import licensing procedures on rough diamonds have been used by at least 17 WTO members. This number is likely to be much higher as, in total, 54 WTO members are also participants in the Kimberley Process Certification Scheme (KPCS).

The main objective of these licensing procedures is to comply with international obligations, namely the KPCS. The analysis of annual questionnaire notifications indicates that members apply import licensing procedures that do not restrict the quantity or value of imports. Out of four members that reported on the nature of their import licensing procedures, three indicated that they were non-automatic.

A licensing procedure for imports of rough diamonds is a requirement under various laws and regulations in these members. The information and documentation requirements during the application and importation procedures are relatively standard and similar to those required for the Kimberley Process Certificate (KPC), which is an essential document to obtain an import licence. Licence fees and validity periods vary extensively across members. The validity periods of licences vary from one month to five years.

2.1. International trade in rough diamonds

2.1.1. International trade regulation of rough diamonds



*Washing diamonds in a mine in Kono,
Sierra Leone*



“ Kimberley Process Certification Scheme

As a natural resource, rough diamonds represent one of the main sources of revenue for many diamond-producing countries and create livelihoods for millions of people. During the 1990s, the exploitation of this mineral resource to finance armed conflict emerged as an issue of concern for the international community. During that time, it is estimated that conflict diamonds represented approximately 4 per cent of the world's diamond production. The United Nations has at various times targeted sanctions against states with a high incidence of such “conflict minerals”. In November 2002, the KPCS was launched and signed by 37 countries. The Kimberley Process provides that each participant should “ensure that no shipment of rough diamonds is imported from or exported to a non-Participant”. It entered into force in 2003, when participants started to implement this process in their national law.

Source: Cullen, H. (2013), *Is There a Future for the Kimberley Process Certification Scheme for Conflict Diamonds?* *Macquarie Law Journal*, Volume 12:61-79.

The Kimberley Process is an international certification scheme that regulates trade in rough diamonds.²⁰ Its objective is to prevent the flow of conflict diamonds, while helping to protect legitimate trade in these goods. The Kimberley Process Certification Scheme (KPCS) outlines the rules that govern the trade in rough diamonds and develops a set of minimum requirements that each participant must meet. The Kimberley Process has 56 participants, representing 82 countries.²¹ KPCS participants include all major rough diamond producing, exporting and importing countries. They are responsible for stemming 99.8 per cent of the global production of conflict diamonds.

The KPCS established a series of minimum requirements²² that each participant must comply with when exporting or importing rough diamonds. Notably, with regard to exports of rough diamonds, each shipment must be accompanied by a duly validated Kimberley Process Certificate (KPC). Similarly, with regard to imports, each shipment requires the following: a duly validated KPC; confirmation of receipt, sent expeditiously to the relevant exporting authority (this confirmation should include, as a minimum, the KPC number, the number of parcels, the carat weight, and the details of the importer and exporter); and the original of the KPC readily accessible for a period of no less than three years. Moreover, all KPCS participants must ensure that they neither import nor export rough diamonds to non-participants.

Annex I of the KPCS Core Document defines the minimum requirements for the KPC, which include, *inter alia*: country of origin; unique numbering with the International Organization for Standardization (ISO) country code; tamper; date of issuance and expiry; issuing authority; identification of exporter/importer; carat weight/mass; value in US dollars; number of parcels in shipment; and relevant HS information.

The “kimberlite diamond pipe Peace” also called Mirny Mine – Yakutia, Siberia.

Photo by Staselnik — CC-BY-SA 3.0 license

²⁰ Online information on the Kimberley Process is available at <https://www.kimberleyprocess.com>.

²¹ Counting the European Union and its 27 member States as one participant.

²² Defined in the KPCS Core Document available at <https://www.kimberleyprocess.com/en/kpcs-core-document>.

2.1.2. Kimberley Process and the WTO

As of August 2021, the KPCS has 56 participants. Of these, 54 are also WTO members (Table 4).

Table 4: Membership of the WTO and Kimberley Process Certification Scheme (as of December 2020)

WTO member participants in the KPCS	Angola, Armenia, Australia, Bangladesh, Botswana, Brazil, Cambodia, Cameroon, Canada, Central African Republic, China, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Eswatini, European Union, Gabon, Ghana, Guinea, Guyana, India, Indonesia, Israel, Japan, Kazakhstan, Republic of Korea, Lao People's Democratic Republic, Lesotho, Liberia, Malaysia, Mali, Mauritius, Mexico, Namibia, New Zealand, Norway, Panama, Russian Federation, Sierra Leone, Singapore, South Africa, Sri Lanka, Switzerland, Tanzania, Thailand, Togo, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Bolivarian Republic of Venezuela, Viet Nam, Zimbabwe.
WTO members not in the KPCS	Afghanistan; Albania; Antigua and Barbuda; Argentina; Kingdom of Bahrain; Barbados; Belize; Benin; Plurinational State of Bolivia; Brunei Darussalam; Burkina Faso; Burundi; Cabo Verde; Chad; Chile; Colombia; Costa Rica; Cuba; Djibouti; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; Fiji; Gambia; Georgia; Grenada; Guatemala; Guinea-Bissau; Haiti; Honduras; Hong Kong, China; Iceland; Jamaica; Jordan; Kenya; the State of Kuwait; Kyrgyz Republic; Liechtenstein; Macao, China; Madagascar; Malawi; Maldives; Mauritania; Republic of Moldova; Mongolia; Montenegro; Morocco; Mozambique; Myanmar; Nepal; Nicaragua; Niger; Nigeria; North Macedonia; Oman; Pakistan; Papua New Guinea; Paraguay; Peru; Philippines; Qatar; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; Kingdom of Saudi Arabia; Senegal; Seychelles; Solomon Islands; Suriname; Chinese Taipei; Tajikistan; Tonga; Trinidad and Tobago; Tunisia; Uganda; Uruguay; Vanuatu; Yemen; Zambia.
KPSC participants that are not WTO members	Belarus, Lebanese Republic.

Source: Kimberley Process online information available at <https://www.kimberleyprocess.com>.



The KPCS Core Document provides a clear definition of rough diamonds—

Diamonds that are unworked or simply sawn, cleaved or bruted and fall under the Relevant Harmonised Commodity Description and Coding System (Table 5).

Table 5: HS classification of rough diamonds

HS Code	Description
7102.10	Unsorted diamonds, simply sawn, cleaved or bruted
7102.21	Industrial diamonds, unworked or simply sawn
7102.31	Non-industrial diamonds, unworked or simply sawn, cleaved or bruted

Source: KPCS Core Document available at <https://www.kimberleyprocess.com/en/kpcs-core-document>.

International trade in rough diamonds

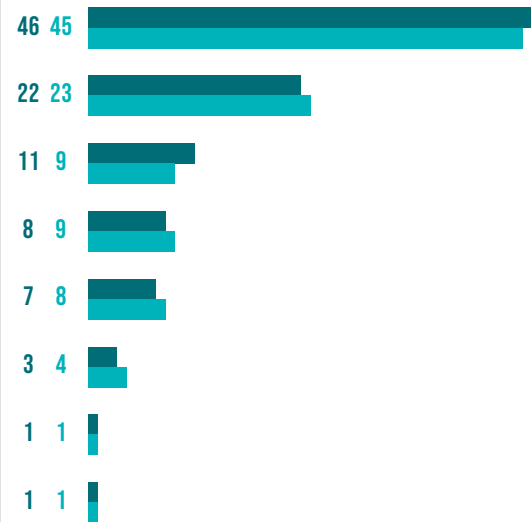
The international trade in rough diamonds significantly decreased between 2015 and 2019. Exports of rough diamonds totalled US\$ 17.3 billion in 2019, down from US\$ 22.1 billion in 2015. The main export markets were: the European Union; Botswana; Israel; Canada; and Hong Kong, China (Figure 3). Imports of rough diamonds also decreased from US\$ 19.3 billion in 2015 to US\$ 13 billion in 2019. The main importers were: the European Union; Israel; Botswana; and Hong Kong, China (Figure 4).²³

■ 2015 ■ 2019

Source: UN Comtrade database, Trade Data Monitor (TDM)

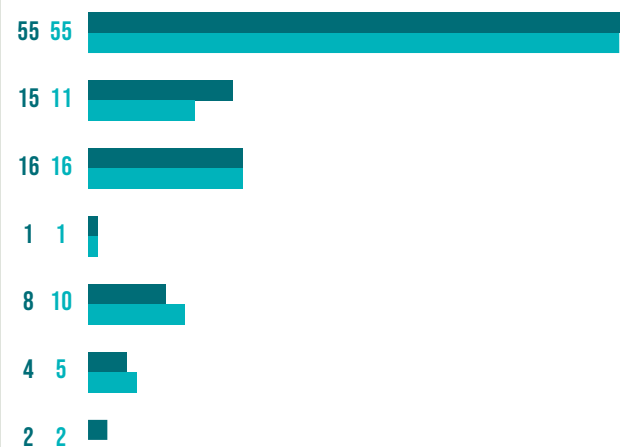
COUNTRIES	2015	2019	% change
European Union	46%	45%	-1%
Botswana	22%	23%	+1%
Israel	11%	9%	-2%
Canada	8%	9%	+1%
Hong Kong	7%	8%	+1%
Singapore	3%	4%	+1%
Thailand	1%	1%	=
Australia	1%	1%	=

Figure 3: Exports of rough diamonds, 2015–2019



COUNTRIES	2015	2019	% change
European Union	55%	55%	=
Botswana	15%	11%	-4%
Israel	16%	16%	=
Mauritius	1%	1%	=
Hong Kong	8%	10%	+2%
Singapore	4%	5%	+1%
Thailand	2%	2%	=

Figure 4: Imports of rough diamonds, 2015–2019



23 In 2020, exports of rough diamonds decreased to US\$ 12 billion and imports – to US\$ 10.3 billion.

In February 2003, 11 WTO members requested a waiver from the rules of GATT.²⁴ This waiver provides legal certainty to domestic measures taken under the Kimberley Process aimed at curbing the trade in conflict diamonds while supporting legitimate diamond trade. In May 2003, the WTO General Council (the WTO's highest-level decision-making body) granted this waiver, thereby allowing WTO members that are KPCS participants to discriminate in their treatment of imports and exports of rough diamonds. This decision also recognized "the extraordinary humanitarian nature of this issue and the devastating impact of conflicts fuelled by the trade in conflict diamonds on the peace, safety and security of people in affected countries and the systematic and gross human rights violations that have been perpetrated in such conflicts".²⁵

This WTO waiver exempts – from 1 January 2019 until 31 December 2024 – trade measures, taken under the Kimberley Process, by 28 WTO members²⁶ and countries that would subsequently join the WTO, from GATT provisions on most-favoured-nation treatment (Article I:1), elimination of quantitative restrictions (Article XI:1) and nondiscriminatory administration of quantitative restrictions (Article XIII:1).

It is important to note that both the ILP Agreement and the KPCS contain provisions on the application of a set of trade policy instruments to achieve specific objectives. In the case of the KPCS, this instrument is a control system in the form of an international certification scheme for rough diamonds. This certification scheme is primarily based on national certification schemes and on internationally agreed minimum standards. Certification requirements are applied to both export and import of rough diamonds (Section III of the KPCS Core Document). During transit, neither export nor import requirements are applied provided that the shipment leaves the territory in a condition identical to that in which it entered – namely, unopened and not tampered with in any way. The ILP Agreement addresses only administrative procedures and rules applicable to the importation of goods. The ILP Agreement does not set forth specific requirements as to what information has to be provided on import licences; rather, it states that the procedures should be fair, transparent and equitable, and not constitute additional barriers to trade.

24 Australia, Brazil, Canada, Israel, Japan, Republic of Korea, Philippines, Sierra Leone, Thailand, United Arab Emirates, United States (WTO document WT/L/518).

25 WTO document WT/L/518.

26 Australia; Botswana; Brazil; Cambodia; Canada; European Union; Guyana; India; Japan; Kazakhstan; Republic of Korea; Malaysia; Mauritius; Montenegro; Namibia; Norway; Panama; Russian Federation; Sierra Leone; Singapore; South Africa; Sri Lanka; Switzerland; Chinese Taipei; Thailand; Turkey; Ukraine; United States (WTO document WT/L/1039).

2.2. Analysis of import licensing procedures on rough diamonds from notified Members

As of December 2020, 17 WTO members had submitted notifications on import licensing procedures on rough diamonds, 11 of which were participants in the Kimberley Process.²⁷ However, given that 54 KPCS participants are also WTO members, the number of members that have import licensing regimes on rough diamonds is likely to be much higher.²⁸ Table 6 provides information on the WTO members that apply import licensing procedures on the imports of rough diamonds and that have notified these procedures to the Committee on Import Licensing.

Table 6: WTO members that notified import licensing procedures on the importation of diamonds [as per submitted notifications]

WTO member	WTO notification		KPCS participant since
	Document symbol	Date	
Armenia	G/LIC/N/3/ARM/5	03 Oct 2008	2003
Australia	G/LIC/N/3/AUS/13	26 Oct 2020	2003
Bahrain, Kingdom of*	G/LIC/N/3/BHR/3	17 Dec 2019	–
Botswana**	G/LIC/N/1/BWA/1	26 Feb 2018	2003
Canada	G/LIC/N/3/CAN/19	10 July 2020	2003
Cuba	G/LIC/N/3/CUB/10	13 Mar 2020	–
European Union	G/LIC/N/3/EU/9	16 Sep 2020	2003
Hong Kong, China	G/LIC/N/3/HKG/24	19 Oct 2020	–
Iceland	G/LIC/N/3/ISL/3	28 Oct 2004	–
Israel	G/LIC/N/3/ISR/4	17 Sep 2018	2003
Japan	G/LIC/N/3/JPN/19	06 Oct 2020	2003
Madagascar	G/LIC/N/3/MDG/6	19 May 2011	–
Mauritius	G/LIC/N/3/MUS/10	25 Sep 2020	2003
Mexico	G/LIC/N/3/MEX/6	24 Sep 2019	2008
Singapore	G/LIC/N/3/SGP/15	24 Apr 2020	2004
Thailand	G/LIC/N/3/THA/7	06 Oct 2020	2003
Tunisia	G/LIC/N/3/TUN/6	28 Sep 2011	–

* Given that these notifications do not use the HS codes to identify the products, it is not clear if and to what extent *diamonds* also include rough diamonds, as defined in the KPCS Core Document.

** Botswana notified rough diamonds in its G/LIC/N/1/BWA/1 notification, no N3 has been notified as of November 2020.

Source: WTO Secretariat; Kimberley Process online information available at <https://www.kimberleyprocess.com>.



²⁷ Further analysis of import licensing procedures is based on the notifications submitted by 14 WTO Members, counting the European Union as one.

²⁸ Counting the European Union as one.

The import licensing procedures implemented by members are intended to impose controls on imports of rough diamonds coming from KPCS participants rather than to restrict the quantity or value of imports. Three members (Israel, Mexico, Tunisia) had clarified that their import licensing procedures on rough diamonds were non-automatic, while Thailand had indicated that it applied automatic import licensing procedures on rough diamonds.

Legal requirements

A licensing procedure to import rough diamonds is a requirement under various laws and regulations in those WTO members that notified them. A few members (Cuba; Hong Kong, China; Singapore; Tunisia) reported that their legislation did not leave the designation of products subject to licensing to administrative discretion. In some members, the government could abolish the system without legislative approval.

Who is eligible to import

Members that notified import licensing procedures did not impose any restrictions on the eligibility. Six members²⁹ required importers to be registered or included on the list of importers approved by the relevant ministry or agency. For example, in Hong Kong, China, an importer of rough diamonds must already be registered with the Trade and Industry Department before applying for an import certificate. The registration fee is HK\$ 645 (US\$ 83) and is valid for two years.³⁰

Information and documentation requirements for application and approval procedures

The information requested by WTO members in their respective import licence applications for rough diamonds reflects to a certain extent the minimum requirements listed in the KPC. These include product description, quantity, mode of transport and country of origin. In addition to these requirements, import licensing applications also typically need the following: more detailed information on the importer, such as whether it is a legal person, an entrepreneur or a natural person; registration certificates; status of duty payments; and a taxpayer identification number. The minimum requirements for KPCs also include, *inter alia*: a specific

title and statement³¹; unique numbering (using Alpha 2 country codes, according to ISO country codes); and validation of the certificate by the exporting authority. The certificate must also be tamper-proof and difficult to forge. In addition to these minimum requirements, the KPCS also sets some optional certificate elements, such as the quality characteristics of the rough diamonds in the shipment and the date of receipt and authentication by the importing authority.

Moreover, all the applications for import licences also have to be accompanied by a valid KPC issued by the relevant exporting member. Some WTO members request additional materials, for example Japan requires an application reason paper for import licences of rough diamonds.

Members have not indicated any limitations on the period of the year during which an application for a licence can be made. Thailand specified that applicants should apply for the licence one to two weeks prior to the departure of the shipment. Importers are also requested by some members to consider the application processing time and lodge their licence application prior to shipment.³² Only three members (Hong Kong, China; Israel; Singapore) have indicated that licences could be granted immediately, albeit under certain specific circumstances.

Fees and other formalities

Members do not require any deposit or advance payment associated with the issue of a licence. Four members (Armenia; Kingdom of Bahrain; Hong Kong, China; Singapore) indicated their fees for the import licence applications. These fees varied depending on the quantity and value of the rough diamonds to be imported.³³

Refusal and appeal

Import licence applications would not be rejected provided that they meet the ordinary criteria set out in the application requirements. However, applications could be rejected in cases where they contained defective, false or distorted information, or where the applicant had no right to perform the requested types of activity subject to licensing. Ten members indicated that applicants were provided with the reasons for any refusal of applications.³⁴ Israel specified that this information

29 Cuba; European Union; Hong Kong, China; Israel; Mauritius; Singapore.

30 Conversions are rounded to US dollars as of 26 August 2021.

31 Each KPC should bear the title "Kimberley Process Certificate" and the statement "The rough diamonds in this shipment have been handled in accordance with the provisions of the Kimberley Process Certification Scheme for rough diamonds".

32 Application processing time: Armenia, three days; Australia, several weeks; Cuba, seven working days; Japan, two weeks; Singapore, five working days; Thailand, one to two weeks.

33 Armenia, AMD 1,000,000 (US\$ 2030); Kingdom of Bahrain, BHD 50-100 (US\$ 133-265); Hong Kong, China, HK\$ 175 (US\$ 22); Singapore S\$ 50 (US\$ 37). Conversions are rounded to US dollars as of 26 August 2021.

34 Armenia; Kingdom of Bahrain; Canada; Cuba; Hong Kong, China; Israel; Japan; Mexico; Singapore; Thailand.

was provided in writing. In six WTO members³⁵, in the event of a refusal, importers or traders can appeal to higher authorities, such as administrative courts. With regard to the validity period of licences, it varied from member to member and ranged from one month to five years.³⁶ In two members – Armenia and Cuba – the validity periods were not established.

Other conditions for importation

With respect to the importation of rough diamonds, members did not impose any limitations on the period during which an importation could be made. Each importation must be accompanied by an import licence and a valid KPC. Other administrative requirements (*i.e.* inspections, record keeping, export or import reporting) largely repeated the minimum requirements set out in the KPCS Core Document.

Foreign exchange

Only three members (Hong Kong, China; Mauritius; Tunisia) provided detailed information on foreign exchange when replying to the questionnaire. In two members (Hong Kong, China; Mauritius), for example, banking authorities automatically provided foreign exchange, and no licence was required for this procedure.

35 Armenia; Hong Kong, China; Israel; Mexico; Singapore; Thailand. In the case of Armenia, applicants can appeal to a court; in Hong Kong, China, applicants can appeal to the Chief Executive of the HKSAR; in Singapore, applicants can appeal to Singapore Customs.

36 Australia, 2 months; Kingdom of Bahrain, 1 year; Canada, 60 days; European Union, 3 years; Hong Kong, China, 28 days; Israel, 2-5 years; Japan, 6 months; Mauritius, 1 year; Mexico, 1 year; Singapore, until the end of the calendar year; Thailand, 90 days; Tunisia, 1 year.

FERTILIZERS AND PESTICIDES

Import licensing of fertilizers and pesticides is widely used by members to protect human, animal or plant life or health. Even though only 50 members notified import licensing procedures on these products, the number is likely to be higher. Most members that provided information on the type of import licensing procedures in place clarified that these procedures were non-automatic. In addition, it appeared that the majority of members (85 per cent) did not use licences to administer quotas. According to members' replies, application and documentation requirements appeared to be standard, with only a few exceptions. Validity periods varied significantly from member to member, ranging from one month to five years.

3.1. International trade in fertilizers and pesticides

The United Nations Statistics Division³⁷ defines fertilizers as organic or inorganic substances that contain chemical elements intended to enhance plant growth and soil fertility. The three primary plant nutrients are nitrogen, phosphorus and potassium; and depending on the nutrient content, of fertilizers are recognized as either organic and inorganic. Organic fertilizers (i.e. manure) contain a low percentage of nutrients; while inorganic or mineral fertilizers contain a high percentage of nutrients, such as inorganic salts obtained by extraction or physical and chemical processes. A pesticide is defined as any substance or a mixture of substances that is used to prevent, destroy or control pests. Pesticides can potentially cause harm during the production, processing, storage, transport or marketing of food, agricultural commodities, wood and wood products or animal feedstuffs.

Fertilizers and pesticides are one of the most controlled products in international trade.³⁸ Imports and exports of these products are regulated for many reasons. The core objective is to protect human health and the environment from potential risks associated with the use of these products, including the protection of pesticide users, consumers, the public, crops, livestock, wildlife and bodies of water. Other important objectives include ensuring the effectiveness of pesticide products for their proposed use and ensuring a fair market for manufacturers, importers and distributors of pesticide products. The introduction of import licensing requirements is one of the tools that WTO members use to achieve these objectives.

Legislation on licensing requirements often includes various definitions of fertilizers and pesticides, overlapping mandates and responsibilities from different agencies, and procedures for application and importation (FAO/WHO, 2015).

37 See https://unstats.un.org/unsd/publication/seriesf/seriesf_67e.pdf.

38 See <https://mag.wcoomd.org/magazine/wco-news-80/highlights-on-the-trade-in-non-authorized-and-counterfeit-pesticides>.



Table 7 provides the classification of fertilizers and pesticides according to the HS.

Table 7: HS classification of fertilizers and pesticides

HS code	Description
31	Fertilizers
38	Miscellaneous chemical products
38.08	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (e.g. sulphur-treated bands, wicks and candles, fly-papers).
38.24	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included.
28	Inorganic chemicals
28.34	Organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes (nitrites, nitrates)

Source: WCO online information available at <http://www.wcoomd.org/en/online-services.aspx>.

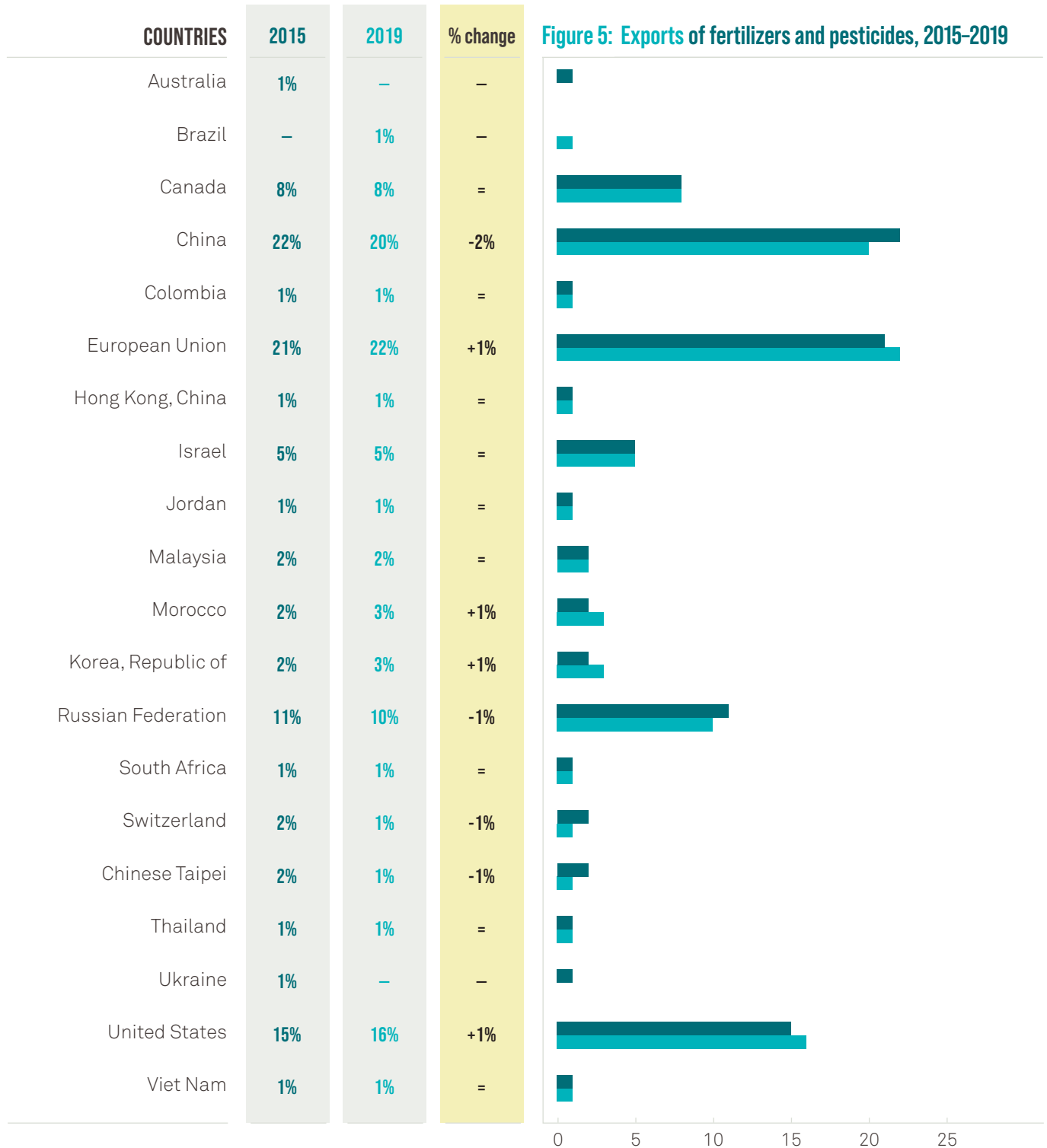
Figures 5 and 6 illustrate trade flows (exports and imports) in fertilizers and pesticides in 2015 and 2019. Exports of fertilizers and pesticides totalled US\$ 84.1 billion in 2019, marginally higher than in 2015 at US\$ 83.1 billion. The main exporters were the European Union, China and the United States. The imports of fertilizers and pesticides increased from US\$ 77.5 billion in 2015 to US\$ 81.6 billion in 2019. The main importers were Brazil, the European Union, the United States and China.³⁹

³⁹ In 2020, exports of fertilizers and pesticides totalled US\$84.7 billion and imports – to US\$81.3 billion.

International trade of fertilizers and pesticides

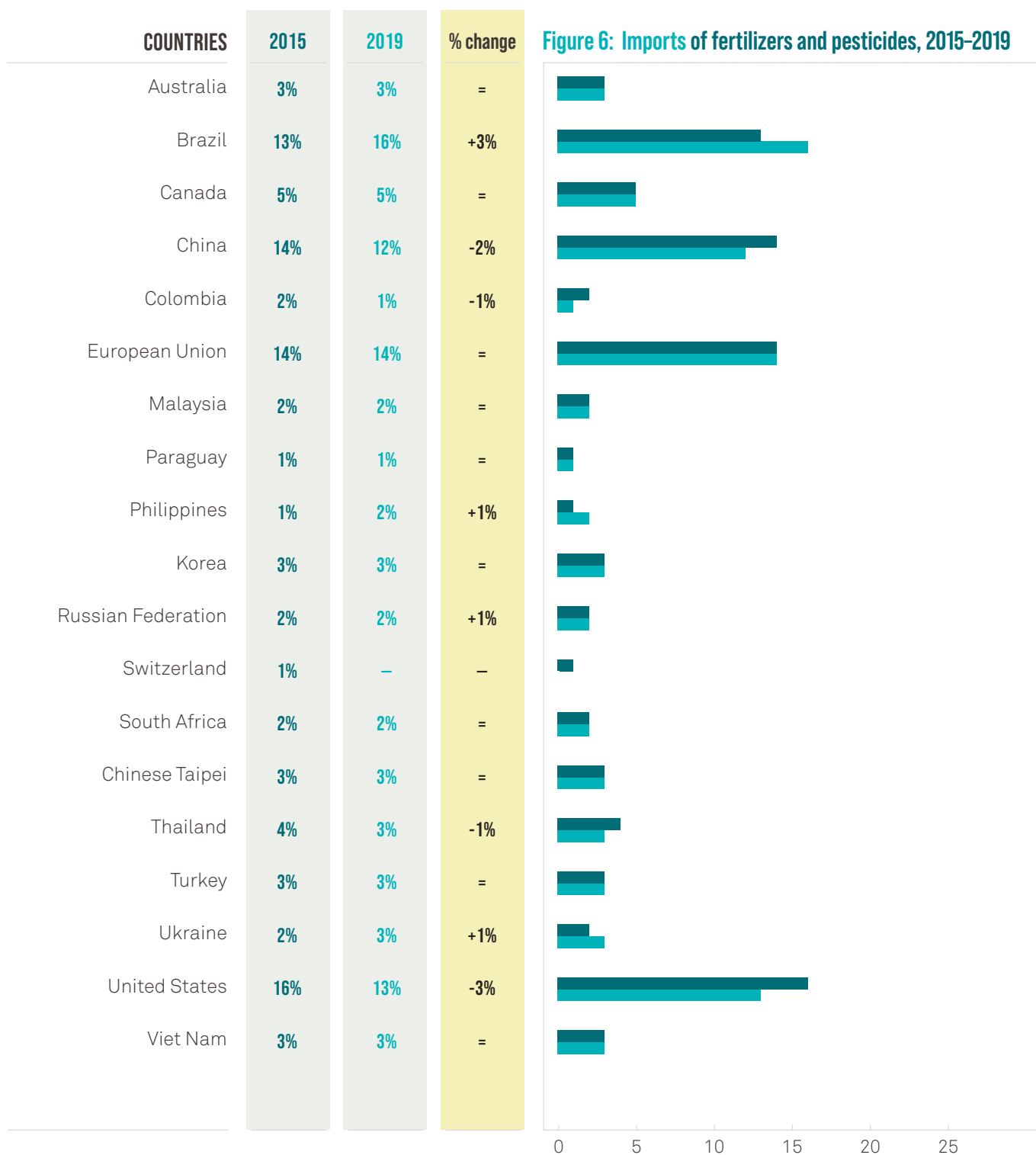
2015 2019

Source: UN Comtrade database, Trade Data Monitor (TDM)



2015 2019

Source: UN Comtrade database, Trade Data Monitor (TDM)



3.2. Analysis of import licensing procedures on fertilizers and pesticides from notifying Members

As of December 2020, 50 WTO members had submitted notifications on their import licensing procedures on fertilizers and/or pesticides. Table 8 provides information on those WTO members that apply import licensing procedures on the imports of fertilizers and/or pesticides and which have notified these procedures to the Committee on Import Licensing.

Table 8: WTO members that notified import licensing procedures on importation of fertilizers and pesticides (as per submitted notifications)

WTO member	WTO notification	
	Document symbol	Date
Afghanistan*	G/LIC/N/1/AFG/1	10 August 2016
Albania	G/LIC/N/3/ALB/10	23 November 2020
Antigua and Barbuda	G/LIC/N/3/ATG/2	30 January 2020
Australia*	G/LIC/N/3/AUS/13	26 October 2020
Bahrain, Kingdom of*	G/LIC/N/3/BHR/3	17 December 2019
Brazil	G/LIC/N/3/BRA/11	31 August 2016
Cambodia	G/LIC/N/3/KHM/3	24 May 2013
Canada*	G/LIC/N/3/CAN/19	10 July 2020
China	G/LIC/N/3/CHN/18	30 January 2020
Colombia	G/LIC/N/3/COL/13	16 April 2020
Costa Rica	G/LIC/N/3/CRI/17	06 October 2020
Cuba*	G/LIC/N/3/CUB/10	13 March 2020
Ecuador	G/LIC/N/3/ECU/3	12 October 2009
European Union	G/LIC/N/3/EU/9	16 September 2020
Guatemala*	G/LIC/N/3/GTM/4	09 November 2007
Guyana	G/LIC/N/3/GUY/2	28 October 2003
Honduras*	G/LIC/N/3/HND/11	20 October 2020
Hong Kong, China	G/LIC/N/3/HKG/24	19 October 2020
Iceland*	G/LIC/N/3/ISL/3	28 October 2004
Israel	G/LIC/N/3/ISR/4	17 September 2018
Jordan*	G/LIC/N/3/JOR/3	05 October 2016
Kazakhstan	G/LIC/N/3/KAZ/5	19 October 2020
Korea, Republic of	G/LIC/N/3/KOR/13	02 December 2020

WTO member	WTO notification	
	Document symbol	Date
Kuwait, the State of	G/LIC/N/3/KWT/6	08 August 2016
Macao, China	G/LIC/N/3/MAC/23	15 July 2020
Malawi*	G/LIC/N/3/MWI/5	14 February 2017
Malaysia*	G/LIC/N/3/MYS/14	08 April 2020
Mali*	G/LIC/N/3/MLI/9	10 July 2017
Mauritius*	G/LIC/N/3/MUS/10	25 September 2020
Moldova, Republic of*	G/LIC/N/3/MDA/3	03 March 2015
Montenegro	G/LIC/N/3/MNE/4	08 July 2020
Morocco	G/LIC/N/3/MAR/7	17 October 2008
Myanmar* **	G/LIC/N/1/MMR/1, G/LIC/N/2/MMR/1	25 March 2019
North Macedonia	G/LIC/N/3/MKD/7	06 March 2018
Paraguay*	G/LIC/N/3/PRY/5	05 March 2018
Philippines*	G/LIC/N/3/PHL/13	16 September 2020
Russian Federation	G/LIC/N/3/RUS/5	09 October 2020
Seychelles	G/LIC/N/3/SYC/3	18 September 2020
South Africa	G/LIC/N/3/ZAF/8	04 November 2019
Sri Lanka	G/LIC/N/3/LKA/2	19 February 2014
Suriname*	G/LIC/N/3/SUR/1	09 October 2009
Switzerland and Liechtenstein	G/LIC/N/3/CHE/16	08 October 2020
Chinese Taipei	G/LIC/N/3/TPKM/10	01 November 2019
Trinidad and Tobago*	G/LIC/N/3/TTO/12	23 October 2014
Tunisia	G/LIC/N/3/TUN/6	28 September 2011
Turkey	G/LIC/N/3/TUR/16	26 March 2020
Ukraine	G/LIC/N/3/UKR/12	02 October 2019
United States*	G/LIC/N/3/USA/16	28 January 2020
Viet Nam	G/LIC/N/3/VNM/2	26 September 2014
Zimbabwe*	G/LIC/N/3/ZWE/4	31 October 2014

* Given that these notifications do not use the HS codes to identify the products, it is not clear if and to what extent some of these fertilizers and pesticides fall into HS Chapter 31, HS Headings 2834, 3808, and 3824 as defined in the HS2017 Nomenclature.

** Myanmar notified fertilizers and pesticides in its G/LIC/N/2/MMR/1 notification, no N3 has been notified as of December 2020.

Source: WTO Secretariat.

Licensing procedures implemented by members are primarily intended to protect human, animal or plant life or health. Six members⁴⁰ also stated that the system was used for statistical and monitoring purposes. Twenty-two members⁴¹ provided information on the type of import licensing procedures in place, 7 of which were automatic, while 12 were non-automatic. In addition, eight members⁴² had reported that their import licensing system was intended to restrict the quantity or value of imports in this category.

Legal requirements

It is a mandatory requirement under members' different laws and regulations that fertilizers and pesticides are only imported with valid licences. In several members, the legislation did not leave the designation of products that were subject to licensing to administrative discretion.⁴³ In Cambodia, Mali, Paraguay, South Africa and Turkey, the government could abolish the system without legislative approval.

Who is eligible to import

In general, all importers – provided that they comply with basic requirements – are eligible to apply for an import licence. Some members apply specific criteria for importers to qualify for an import licence, including the following:

1. the presentation of accreditation document(s);
2. eligibility only for persons, firms and institutions residing in the member; and
3. prior registration with other government agencies.

Twelve members⁴⁴ stated that they require prior registration with a special system or a relevant agency or chamber of commerce. Three members (Albania, Honduras, Malaysia) indicated that they maintain a list of importers that is published and available online, and three members (Honduras; Hong Kong, China; Paraguay) reported that they apply a registration fee.

Information and documentation requirements for application and approval procedures

The information and the documents requested when importing fertilizers and pesticides generally depend on the particular type of product. The information most commonly requested by customs authorities includes, *inter alia*:

1. the applicant's name;
2. the product to be imported;
3. the quantity and value of the products to be imported;
4. technical information on the product; and
5. a description of the intended use of the product.

Importers are normally requested to provide the following documents:

1. *pro forma* invoice;
2. registration certificate for entities;
3. financial statements; and
4. export contracts.

Members have not reported any limitations regarding the period in the year when an application for a licence may be made. Applications for import licences have to be lodged in advance of importation. Processing time varied greatly among members.⁴⁵ Almost half of all members indicated that import licences could be obtained within a shorter period of time than the period of time indicated in the respective notifications. The majority of members indicated that an importer had to approach only one administrative organ.

Fees and other formalities

Seventeen members reported that they did not charge any licensing fee and none of the members required any deposit or advance payment associated with the issuance of licences. Fees for import licensing applications for pesticides and fertilizers generally varied depending on the quantity and value of the pesticides

40 Brazil, China, Malawi, Republic of Moldova, Switzerland and Liechtenstein, Zimbabwe.

41 Antigua and Barbuda; Brazil; China; Colombia; Costa Rica; Guatemala; Guyana; Hong Kong, China; Israel; Jordan; Republic of Korea; Malawi; North Macedonia; Paraguay; Philippines; Seychelles; Sri Lanka; Switzerland and Liechtenstein; Trinidad and Tobago; Tunisia; United States; and Viet Nam.

42 Antigua and Barbuda, Canada, Colombia, European Union, Guyana, Malaysia, Mali, Suriname.

43 Brazil (for most goods); Costa Rica; Cuba; Honduras; Hong Kong, China; the State of Kuwait; Macao, China; Malaysia; North Macedonia; Seychelles; Tunisia.

44 Brazil; Cuba; European Union; Honduras; Hong Kong, China; Israel; Mali; Montenegro; Paraguay; Philippines; Suriname; Switzerland and Liechtenstein.

45 Albania, 10-15 working days; Australia, 2 months; Costa Rica, the application has to be lodged before product arrives for clearance; European Union, 30 days; Honduras, 15 days before importation, in some cases processing time can be 24-72 hours; Hong Kong, China, 1-2 working days; Israel, 1-3 days; Kazakhstan, 5 days; the State of Kuwait, application has to be lodged 3 days prior to departure; Mauritius, 5 working days; Republic of Moldova, a decision is made within 5-10 working days; Montenegro, 15-30 days; Malaysia, 6 or more months (for pesticides); North Macedonia, 15 days; Philippines, 24 working days; Russian Federation, the application has to be lodged prior to exportation from the country of origin, processing time may take 45 days; in Sri Lanka, the application has to be lodged one week in advance of importation; Switzerland and Liechtenstein, for agricultural products (general import permit), the application has to be lodged 1 or 5 days in advance of importation, and for plants and plant products, 1 day prior to arrival to Switzerland, and for war materiel, the application must be submitted 7 days before arrival; Chinese Taipei, 7 working days; United States, approval within 4-6 months.

and fertilizers to be imported.⁴⁶ Some members did not charge set amounts for import licences. In Paraguay, for example, the fee is 1 per cent of the FOB value of the shipment, while in Mali, importers pay 0.75 per cent of the FOB value as a contribution to the import inspection programme, and this contribution covered the costs of inspection. In Kazakhstan, a licence fee was equal to 10 MCIs. These indices were approved annually by law, and in the 2020 MCI the fee was KZT 2,778 (US\$ 6.50).

Refusal and appeal

Around 80 per cent of members reported that import licensing applications could not be rejected provided that the standard criteria were met and that all the requirements under the various laws and regulations had been satisfied. Only 12 members indicated that the reasons for refusal were provided to the applicant in writing.⁴⁷ The application decision could be appealed to the relevant authorities, *inter alia*, the agencies responsible for economic affairs, the agencies responsible for environment protection, the administrative appeals boards and the courts, and to ministers or permanent secretaries. However, three members indicated that no appeal is possible because the decision taken is final.⁴⁸

The validity of licences varied from one month to five years.⁴⁹ The vast majority of responding members did not penalize importers in case of non-utilization of a licence. With the exception of the Kingdom of Bahrain, all members stated that licences issued were not transferable between importers.

Other conditions for importation

Each importation must be accompanied, *inter alia*, by the following:

1. a commercial invoice;
2. a bill of lading or airway bill;
3. a valid licence;
4. health certificates or certificates, registration and documents attesting approval;
5. an import declaration;
6. an import approval;
7. a certificate of origin; and
8. a sale purchase contract.

In the case of Paraguay, a chemical analysis of the product corresponding to the batch imported was also required.

Six members⁵⁰ indicated that some form of prior authorization or registration and/or inspection/quarantine certification may be required as a condition for importation.

Foreign exchange requirement

Most members indicated that foreign exchange was freely available. Generally, licence permission was not required as a prior condition to obtain foreign exchange. Fifteen members⁵¹ indicated that the foreign exchange questions in the WTO import licensing questionnaire were inapplicable or else they provided no specific information in response to these questions. In Antigua and Barbuda, for example, foreign exchange was automatically provided by the banking authorities for goods to be imported, up to a maximum of EC\$ 100,000 (US\$ 37,000); import values exceeding this required permission from the ministry of finance.

46 Fees as indicated in members' notifications: Albania, ALL 2,000 (US\$ 19); Kingdom of Bahrain, BHD 50-100 (US\$ 132-265); Colombia, US\$ 7.50; Honduras, HNL 250 (USD 11); Hong Kong, China, HK\$ 19-20 per pad (containing 20 sets)/HK\$ 3 per set (US\$ 2-3/0.40), and products with methyl bromide, HK\$ 815-1,210 (US\$ 105-155); Jordan, JOD 10 (US\$ 14); Mali, 0.75 per cent of the free on board (FOB) value of the shipment; Mauritius, MUR 100 (US\$ 2); Montenegro EUR 10 (US\$ 12); Malaysia, ranges from MYR 0.3-100 (US\$ 0.07-24) (animal and animal products), MYR 15 (US\$ 4) (plant, plant products and regulated products), MYR 1,500 (US\$ 358) (pesticides); Paraguay, 1 per cent of the FOB value of the shipment; Philippines, PHP 0-6,000 (USD 0-120); Russian Federation, RUB 325,000 (US\$ 4,376) for a permit, RUB 7,500 (US\$ 100) for a licence; Switzerland and Liechtenstein, CHF 3-50 (US\$ 3-55) depending on a product, for war materiel 0.8 per cent of the value of the imported goods but at least CHF 50 (US\$ 55) and at most CHF 5,000 (US\$ 5,445) per licence; Turkey, TRY 500-1,065 (US\$ 60-127); Tunisia, TND 1 (US\$ 0.37); Ukraine, UAH 780 (US\$ 29); United States, no licensing fee or administrative charge for permits other than the US\$ 70 fee per permit for commercial trade in endangered plants; Zimbabwe, US\$ 30-60. Conversions are rounded to US dollars as of 26 August 2021.

47 European Union, Guyana, Israel, Kazakhstan, Mali; Republic of Moldova, Montenegro, Russian Federation, Sri Lanka, Chinese Taipei, Turkey, Ukraine.

48 Kingdom of Bahrain; Canada; Cuba.

49 Albania, permanent; Antigua and Barbuda, 1 month; Kingdom of Bahrain, 1 year; Brazil, 90 days upon issuance; Cambodia, 1 year; Canada, one shipment valid for a maximum of 1 year; China, 6 months; Colombia, 6 months; Costa Rica, 30 days; Guyana, 6 months; Honduras, 30 calendar days; Hong Kong, China, 60 days to 6 months; Iceland, 6 months; Israel, 2-5 years; Jordan, 3 months or 1 year; Republic of Korea, 1 year; the State of Kuwait, 1 year; Macao, China, 30 days; Malawi, 3 months; Malaysia, 30-90 days; Mali, 12 months; Mauritius, 4 months; Republic of Moldova, 1-5 years; Montenegro, 1 year; North Macedonia, 3-6 months; Paraguay, 3 months; Philippines, 1 year; Seychelles, 1 year; South Africa, 12 months; Suriname, 3 months; Switzerland and Liechtenstein, 1 year; Chinese Taipei, 6 months; Tunisia, 1 year; Turkey, 12 months; United States, endangered or threatened plants is valid for 2 years; Zimbabwe, 3 months.

50 Albania, Brazil, China, Mauritius, Malaysia, Russian Federation.

51 Afghanistan, Australia, Kingdom of Bahrain, Brazil, Canada, Cuba, European Union, Honduras, Jordan, Malaysia, North Macedonia, Turkey, United States, Viet Nam, Zimbabwe.

4.

PHARMACEUTICAL PRODUCTS

International trade in pharmaceutical products is highly complex, given the sector is heavily regulated. Since 1947, much work has been done, first by GATT contracting parties and subsequently by WTO members, to reduce and harmonize tariffs on pharmaceutical products, reduce nontrade barriers and bring transparency to their application.

Eight out of 11 members that provided information on the type of import licensing applied, reported that these procedures were non-automatic. Around 25 per cent applied import licensing to administer quotas. According to members' replies, legal, application and documentation requirements were generally standard, with only a few exceptions. The validity periods varied extensively across WTO members.

4.1. International trade in pharmaceutical products

The pharmaceutical industry is unique in its combination of extensive government regulation, high fixed costs of R&D for producers and demand-driven policies by consumers. Government regulation primarily aims at safeguarding public health by ensuring the availability of safe, effective and high-quality products, and stemming illegal manufacturing and illegal trade, unnecessary barriers to trade, and inappropriate activities in the promotion and sale of products. At the same time, producers seek to obtain adequate returns on their investments into high-cost R&D during the patent-protected life of their product. Finally, consumers, though often willing to pay more for medicines than for other consumer products, might still face unaffordable prices for some life-saving medicines. A combination of all these factors makes the industry highly complex.

The pharmaceutical sector is an international industry encompassing the various manufacturing, testing and distributing sites needed to minimize cost and to maximize production capacity to meet global demand. It is essential that the international trading system allows for an effective and efficient flow of pharmaceutical goods. Although significant work on tariff reduction and harmonization has been undertaken already, the industry still continues to be impacted by market access barriers and protectionist measures. Some of the measures affecting the trade in pharmaceutical products include the following:

- Re-importation (or parallel imports), which occur when a product made legally abroad (i.e. a product

not pirated) is imported without the permission of the intellectual property right-holder (e.g. the trademark or patent owner). Some economies allow this to occur as it provides for lower prices due to increased competition.

- Price regulation policy aims to attenuate the effects of high prices of patented pharmaceutical products. It is often implemented through a direct cost-plus model or indirect price reimbursement model. The former sets a fixed price for the pharmaceutical company for a specific time-period based on its costs and profits; the latter sets a maximum reimbursement level paid by a third party, such as a government or insurance agency.
- Compulsory licensing occurs when governments attempt to reduce prices by allowing a third company or other commercial actor to produce a patented product. Evidence suggests that the bargaining power created by the mere legal possibility of a compulsory licence could benefit developing country members even where a compulsory licence is not actually granted (Cornish, 1999).
- Harmonization procedures. International registration and certification issues are often quite cumbersome for pharmaceutical companies. Given the existence of a large number of trade blocs and different levels of economic integration among them (including customs unions and free trade areas), harmonization of pharmaceutical procedures and regulations varies, often creating significant market access hurdles to international companies.

4.1.2. Trade in pharmaceutical products and the WTO

Non-tariff barriers⁵²

With a steady reduction in tariffs, particularly in pharmaceutical products, the role of NTBs has become more significant. NTBs on pharmaceutical products, as on other products, may pursue two principal objectives. On the one hand, many laws, regulations and other practices are crucial to protect human, animal or plant life or health, and the environment, and to stem illicit trade in these products. On the other hand, NTBs have often been used to protect the domestic production of pharmaceutical products. In both cases, they may create unnecessary hurdles for foreign businesses, thereby raising costs of doing business.

Tariff reduction: Pharma Agreement

During the Uruguay Round negotiations, 12 WTO members⁵³ agreed to reciprocal tariff elimination – the so-called “zero-for-zero initiative” – for pharmaceutical products and intermediate chemicals.⁵⁴ These products also included all active ingredients with a WHO international non-proprietary name (INN) used in pharmaceuticals. The result of these negotiations was the Pharma Agreement, which eliminated tariffs on over 6,000 products.⁵⁵ The participating members also agreed to meet under the auspices of the WTO’s Council for Trade in Goods once every three years to review the product coverage and include, by consensus, any additional pharmaceutical products for tariff elimination. As of March 2020, four reviews of this agreement had taken place.⁵⁶

As a result of these negotiations and reviews, participating WTO members agreed to eliminate tariffs on the following products:⁵⁷

- i. items classified (or classifiable) in Harmonized System Chapter 30;
- ii. items classified (or classifiable) in HS headings 2936, 2937, 2939, and 2941, with the exception of dihydrostreptomycin and salts, esters, and hydrates thereof;
- iii.* pharmaceutical active ingredients as designated in Annex I and that bear an “international non-proprietary name,” (INN) from the World Health Organization;
- iv. salts, esters, and hydrates of pharmaceutical products which are described by the combination of an INN active ingredient contained in Annex I with a prefix or suffix as designated in Annex II to this record, as long as such salt, ester, or hydrate is classified in the same HS 6-digit heading as the INN active ingredient;
- v. salts, esters, and hydrates of INN active ingredients that are separately contained in Annex III to this record and that are not classified in the same HS 6-digit heading as the INN active ingredient;
- vi. additional products used for the production and manufacture of finished pharmaceuticals as designated in Annex IV to this record.

* Paracetamol, ibuprofen, dihydrostreptomycin, monosodium glutamate, and levomenthol have been excluded from the coverage of this record of discussion.”

52 Examples include quotas, import licensing systems, sanitary regulations and prohibitions (also known as non-tariff measures).

53 Australia, Austria, Canada, Czech Republic, European Communities, Finland, Japan, Norway, Slovak Republic, Sweden, Switzerland, United States (WTO document L/7430).

54 Most of the sectoral negotiations during that period were known as “zero-for-zero” sectoral agreements because participants bound duty-free levels for those products in their schedules.

55 WTO document G/MA/W/10.

56 In 1996, 1998, 2006 and 2010 (WTO documents G/MA/W/10, G/MA/W/18, G/MA/W/85, G/MA/W/102).

57 WTO documents L/7430, G/MA/W/10, G/MA/W/18, G/MA/W/85 and G/MA/W/102.

Tariff harmonization: Chemical Tariff Harmonization Agreement

Another sectoral initiative that was also negotiated during the Uruguay Round was the Chemical Tariff Harmonization Agreement (CTHA), which led to a substantial reduction and harmonization of tariffs across a broad range of chemical goods, including some pharmaceutical products.⁵⁸ The original participants of the CTHA included Canada, the European Union, Japan, the Republic of Korea, Norway, Singapore, Switzerland and the United States.⁵⁹ The participating WTO members agreed to harmonize their tariffs on chemical products – covering HS Chapters 28–39 – and to bring them to zero, 5.5 per cent and 6.5 per cent. Table 9 provides for different staging according to the tariff base level.

Table 9: CTHA staging

Tariff base level	Staging
10% or less	5 years
> 10-25%	10 years
> 25%	15 years

Source: WTO document TN/MA/S/13.

A proposal for further tariff elimination in the chemicals sector – modalities for liberalization of tariffs in the chemicals sector – was tabled in the context of the non-agricultural market access (NAMA) negotiations of the Doha Development Agenda.⁶⁰ Tables 10 and 11 set out the HS classification of pharmaceutical products as used in the Pharma Agreement and the CTHA.

Table 10: HS classification according to the Pharma Agreement

HS code	Description
HS Chapter 30	Pharmaceutical products
HS Chapter 29	Organic chemicals*
2936	Rovitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent
2937	Hormones, prostaglandins, thromboxanes and leukotrienes, natural or reproduced by synthesis; derivatives and structural analogues thereof, including chain modified polypeptides, used primarily as hormones
2939	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives
2941	Antibiotics
_**	Pharmaceutical active ingredients that bear an INN from the WHO
_**	Salts, esters and hydrates of pharmaceutical products which are described by the combination of an INN active ingredient
_**	Salts, esters and hydrates of INN active ingredients that are not classified in the same HS six-digit heading as the INN active ingredient
_**	Additional products used for the production and manufacture of finished pharmaceuticals

* With the exception of dihydrostreptomycin and salts, esters and hydrates thereof.

** A complete list of these products can be found in Annexes I, II, III and IV of the Pharma Agreement.

Source: WCO online information available at <http://www.wcoomd.org/en/online-services.aspx>.



⁵⁸ In contrast to a “zero-for-zero” initiatives, participants in this agreement included in their Schedules the same levels for different groups of products.

⁵⁹ Since the beginning of the Uruguay Round, additional participants have joined the initiative as part of their WTO accession process, including: Albania, Armenia, China, Croatia, Estonia, Georgia, Jordan; Kyrgyz Republic, Latvia, Lithuania, Republic of Moldova, Mongolia, North Macedonia, Kingdom of Saudi Arabia, Chinese Taipei, Ukraine and Viet Nam (see <https://ustr.gov/issue-areas/industry-manufacturing/industry-initiatives/chemicals>).

⁶⁰ WTO document TN/MA/W/103/Rev.3.

Table 11: HS classification according to the CTHA

HS chapter	Description
28	Inorganic chemicals, organic/inorganic compounds of precious metals, isotopes
29	Organic chemicals
30	Pharmaceutical products
31	Fertilizers
32	Tanning or dyeing extracts, dyes, pigments, paints and varnishes, putty, inks
33	Oils and resinoids, perfumery, cosmetic or toilet preparations
34	Soaps, waxes, scouring products, candles, modelling pastes, dental waxes
35	Albuminoidal sub, starches, glues, enzymes
36	Explosives, matches, pyrotechnic products
37	Photographic or cinematographic goods
38	Miscellaneous chemical products
39	Plastics and articles thereof

COVID-19 pandemic: import licensing procedures for medicines and vaccines⁶¹

Table 12 provides an HS classification list for COVID-19 medicines/INN elaborated jointly by the WHO/WCO.

Table 12: HS classification for medicines and vaccines

Medicines (INN)	HS codes	2019 Model List of Essential Medicines section
Medicine INN (Proposed List) (Recommended List)	As pure substances /(*) put up as medicaments in measured doses	
Hydroxychloroquine	2933.49, 3004.90*	29.2. Disease-modifying agents used in rheumatoid disorders (DMARDs)
Chloroquine	2933.49, 3004.60*	6.5.3. Malaria due to Plasmodium vivax, ovale, malariae 29.2. Disease-modifying agents used in rheumatoid disorders (DMARDs)
Azithromycin	2941.90, 3004.20*	6.2.2. Watch group antibiotics
Lopinavir/ritonavir	2933.59, 3004.90* 2934.10,	6.4.2.3. Protease inhibitors
Remdesivir	2934.99, 3004.90*	—
Interferon alfa	3002.13, 3002.15*	6.4.4.2.3. Other antivirals for hepatitis C
Ribavirin	2934.99, 3004.90*	6.4.3. Other antivirals
Vaccines	3002.20	Vaccines for human medicine

Source: The table is taken from the WCO/WHO list of priority medicines without prejudice to the question of whether such medicines are effective in the treatment of COVID-19. WCO online information available at <http://www.wcoomd.org/en/online-services.aspx>.

⁶¹ The following WTO Members have import licensing procedures in place with respect to at least one of the products published in the "Joint Indicative List of Critical COVID-19 Vaccine Inputs for Consultation": Antigua and Barbuda; Plurinational State of Bolivia; Guyana; Israel; Kazakhstan; State of Kuwait; Macao, China; Montenegro; North Macedonia; Philippines; Russian Federation; Seychelles; Sri Lanka; Suriname; Switzerland and Liechtenstein; Tajikistan; Tunisia; Ukraine; Bolivarian Republic of Venezuela. See online https://www.wto.org/english/tratop_e/covid19_e/vaccine_inputs_report_e.pdf.

Based on the HS list of medicines and vaccines in Table 12, Table 13 provides information on WTO members that have notified import licensing procedures on these products. Import licensing procedures on medicines and vaccines are identical to those on pharmaceutical products analysed below.

Table 13: Members that notified import licensing procedures on medicines and vaccines

Member	Notification	
	Symbol	Date
Vaccines		
Kingdom of Bahrain[†]	G/LIC/N/3/BHR/3	17 Dec 2019
Canada[†]	G/LIC/N/3/CAN/19	10 Jul 2020
Costa Rica	G/LIC/N/3/CRI/17	06 Oct 2020
Guyana[†]	G/LIC/N/3/GUY/2	28 Oct 2003
Jordan[†]	G/LIC/N/3/JOR/3	05 Oct 2016
Kazakhstan[†]	G/LIC/N/3/KAZ/5	19 Oct 2020
Mauritius[†]	G/LIC/N/3/MUS/10	25 Sep 2020
North Macedonia	G/LIC/N/3/MKD/7	06 Mar 2018
Russian Federation[†]	G/LIC/N/3/RUS/5	09 Oct 2020
Sri Lanka[†]	G/LIC/N/3/LKA/2	19 Feb 2014
Switzerland and Liechtenstein	G/LIC/N/3/CHE/16	08 Oct 2020
Medicines		
Costa Rica	G/LIC/N/3/CRI/17	06 Oct 2020
Guyana[†]	G/LIC/N/3/GUY/2	28 Oct 2003
Hong Kong, China[†]	G/LIC/N/3/HKG/24	19 Oct 2020
Russian Federation[†]	G/LIC/N/3/RUS/5	09 Oct 2020
Sri Lanka	G/LIC/N/3/LKA/2	19 Feb 2014
Suriname	G/LIC/N/3/SUR/1	09 Oct 2009
Switzerland and Liechtenstein	G/LIC/N/3/CHE/16	08 Oct 2020
Turkey	G/LIC/N/3/TUR/16	26 Mar 2020
Ukraine[†]	G/LIC/N/3/UKR/12	02 Oct 2019

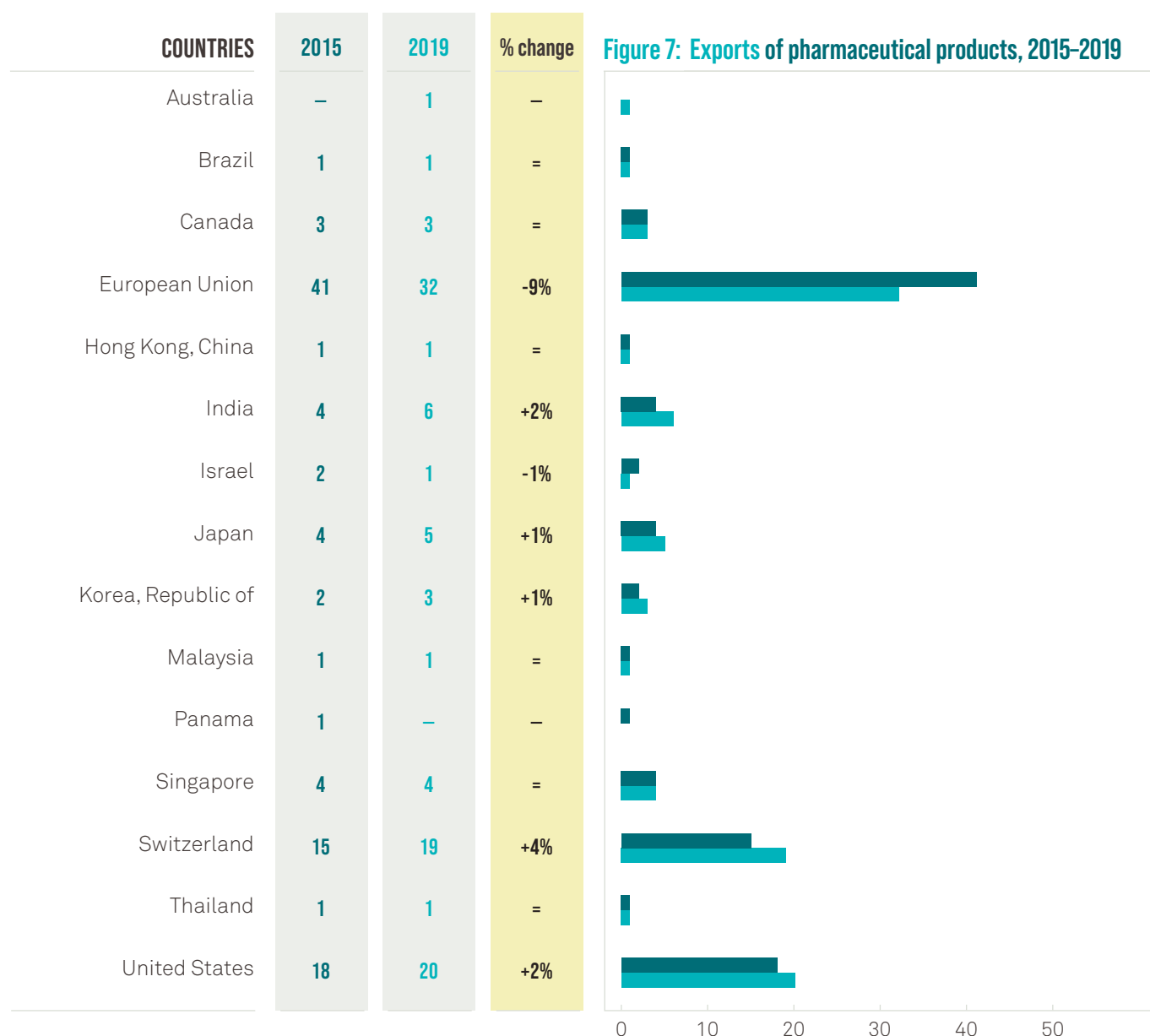
[†] Members which have either provided no HS codes or no sixdigit HS codes, but have the word “vaccine” in the product description.

Exports of pharmaceutical products totalled US\$ 547.4 billion in 2019, up from US\$536.4 billion in 2015. The main export markets were the European Union, the United States and Switzerland (Figure 7). Imports of pharmaceutical products increased from US\$ 540.2 billion in 2015 to US\$ 616.3 billion in 2019. The main importers were the European Union, the United States, Switzerland, and Japan (Figure 8).⁶²

International trade of pharmaceutical products

■ 2015 ■ 2019

Source: UN Comtrade database, Trade Data Monitor (TDM)



62 In 2020, exports of pharmaceutical products totalled US\$670.5 billion and imports – US\$670 billion.

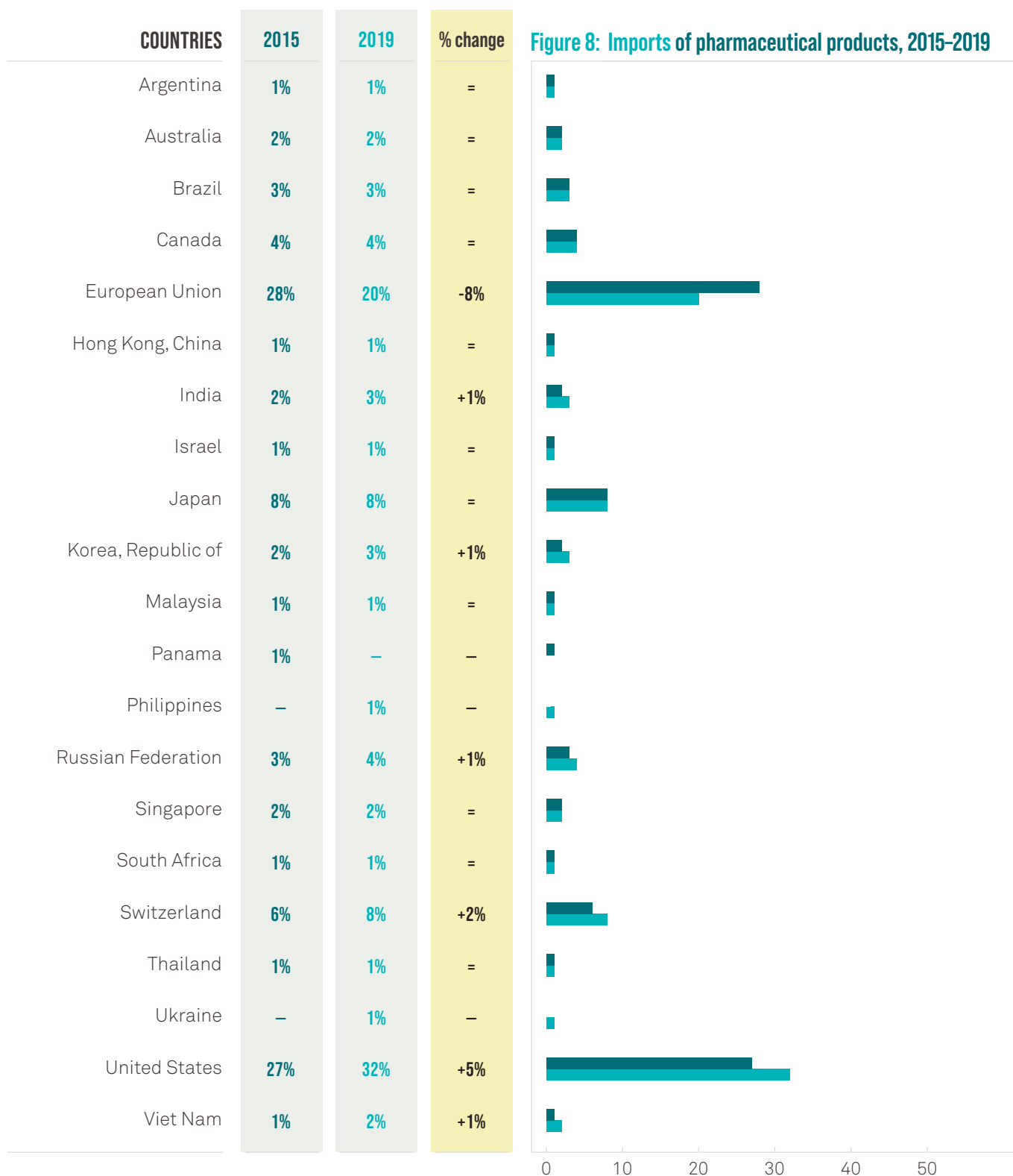


Table 14 provides information on those WTO members that have applied import licensing procedures on pharmaceutical products and that notified these procedures to the Committee on Import Licensing.

**Table 14: WTO members that notified import licensing procedures on importation of pharmaceutical products
[as per submitted notifications]**

WTO member	WTO notification	
	Document symbol	Date
Afghanistan*	G/LIC/N/3/AFG/10	10 August 2016
Albania	G/LIC/N/3/ALB/10	20 November 2020
Antigua and Barbuda	G/LIC/N/3/ATG/2	30 January 2002
Australia*	G/LIC/N/3/AUS/13	26 Oct 2020
Bahrain, Kingdom of*	G/LIC/N/3/BHR/3	17 December 2019
Bolivia, Plurinational State of	G/LIC/N/3/BOL/3	29 June 2000
Botswana*	G/LIC/N/1/BWA/1	26 Feb 2018
Brazil*	G/LIC/N/3/BRA/11	31 August 2016
Brunei Darussalam*	G/LIC/N/3/BRN/1	10 Sep 1997
Canada*	G/LIC/N/3/CAN/19	10 Jul 2020
Central African Republic*	G/LIC/N/3/CAF/1	16 December 2010
Costa Rica*	G/LIC/N/3/CRI/17	06 Oct 2020
Cuba*	G/LIC/N/3/CUB/10	13 Mar 2020
Dominican Republic*	G/LIC/N/3/DOM/8	02 Feb 2016
Ecuador	G/LIC/N/3/ECU/3	12 Oct 2009
European Union*	G/LIC/N/3/EU/9	16 Sep 2020
Georgia*	G/LIC/N/3/GEO/8	19 November 2018
Guatemala*	G/LIC/N/3/GTM/4	09 November 2007
Guyana	G/LIC/N/3/GUY/2	28 Oct 2003
Honduras*	G/LIC/N/3/HND/11	20 Oct 2020
Hong Kong, China	G/LIC/N/3/HKG/24	19 Oct 2020
Iceland*	G/LIC/N/3/ISL/3	28 Oct 2004
India*	G/LIC/N/3/IND/19	04 November 2019
Israel	G/LIC/N/3/ISR/4	17 Sep 2018
Jamaica	G/LIC/N/3/JAM/5	01 Sep 2016
Japan	G/LIC/N/3/JPN/19	06 Oct 2020
Jordan	G/LIC/N/3/JOR/3	05 Oct 2016
Kazakhstan	G/LIC/N/3/KAZ/5	19 Oct 2020
Korea, Republic of*	G/LIC/N/3/KOR/13	02 December 2020
Kuwait, the State of	G/LIC/N/3/KWT/6	08 August 2016
Kyrgyz Republic*	G/LIC/N/3/KGZ/2	09 Oct 2006

WTO member	WTO notification	
	Document symbol	Date
Macao, China	G/LIC/N/3/MAC/23	15 Jul 2020
Malaysia*	G/LIC/N/3/MYS/14	24 Sep 2020
Mali*	G/LIC/N/3/MLI/9	10 Jul 2017
Mauritius*	G/LIC/N/3/MUS/10	25 Sep 2020
Moldova, Republic of*	G/LIC/N/3/MDV/1	15 Sep 2002
Montenegro	G/LIC/N/3/MNE/4	08 Jul 2020
Myanmar*	G/LIC/N/1/MMR/1 G/LIC/N/2/MMR/1	25 Mar 2019
New Zealand*	G/LIC/N/3/NZL/6	01 November 2019
North Macedonia	G/LIC/N/3/MKD/7	06 Mar 2018
Panama*	G/LIC/N/3/PAN/11	22 June 2020
Paraguay*	G/LIC/N/3/PRY/5	05 Mar 2018
Philippines	G/LIC/N/3/PHL/13	16 Sep 2020
Russian Federation	G/LIC/N/3/RUS/5	09 Oct 2019
Saint Lucia*	G/LIC/N/3/LCA/7	03 Mar 2017
Seychelles	G/LIC/N/3/SYC/3	18 Sep 2020
Singapore	G/LIC/N/3/SGP/15	24 Sep 2020
South Africa	G/LIC/N/3/ZAF/8	04 November 2019
Sri Lanka	G/LIC/N/3/LKA/2	19 Feb 2014
Suriname	G/LIC/N/3/SUR/1	09 Oct 2009
Switzerland and Liechtenstein	G/LIC/N/3/CHE/16	08 Oct 2020
Tajikistan	G/LIC/N/3/TJK/1	06 Oct 2014
Thailand*	G/LIC/N/3/THA/7	06 Oct 2020
Tunisia	G/LIC/N/3/TUN/6	28 Sep 2011
Turkey	G/LIC/N/3/TUR/16	26 Mar 2020
Ukraine	G/LIC/N/3/UKR/12	02 Oct 2019
United States	G/LIC/N/3/USA/16	28 January 2020
Venezuela, Bolivarian Republic of	G/LIC/N/3/VEN/1	27 May 2002
Viet Nam*	G/LIC/N/3/VNM/2	26 Sep 2014

* Given that these notifications do not use the HS Codes to identify the products, it is not clear if and to what extent the product categories notified by these members include pharmaceutical products, as set out under the "Pharma" Agreement.

Source: WTO Secretariat.

4.2. Analysis of import licensing procedures on pharmaceutical products from notifying Members⁶³

As of December 2020, 59 WTO members had submitted notifications on import licensing procedures on pharmaceutical products (see Table 14). The licensing systems implemented by members generally aim at ensuring that imported products meet the specific standards of safety, quality and efficacy, and do not pose any risk to human, animal or plant life or health. Certain members reported that their import licensing procedures were implemented for statistical purposes. A few other members provided additional information on the types of licensing procedure applied, of which the majority were categorized as non-automatic.⁶⁴ In contrast, Brazil, Paraguay and Thailand reported an automatic import licensing procedure. One quarter of members applied import licensing procedures that administered quotas.

Legal requirements

A licensing procedure for imports of pharmaceutical products is a requirement under various laws and regulations in these members. Most members (32) indicated that the government could not abolish the system without legislative approval.⁶⁵ However, in the cases of Georgia, Japan, Mali and South Africa, the government could either abolish the system or change certain details of the system in force. Furthermore, in most cases, legislation left the designation of products subject to licensing to administrative discretion. In Paraguay, however, the government could designate the products in a category, for example medicines, chemical precursors, and reagents for clinical and laboratory analyses; in contrast, legislative approval was required for the designation of narcotic substances and dangerous drugs.

Who is eligible to import

Nearly two-thirds of members reported that any person, firm, or institution was eligible to apply for a licence, even if this may be subject to certain specific conditions.⁶⁶ These conditions included, *inter alia*: (i) residency or registration requirements; (ii) prior registration on external commerce platform/portal; (iii) valid exporter/importer number; (iv) advance registration/authorization/licence to conduct this type of activity; and (v) proper systems of maintenance and storage of the products concerned.

16 members indicated that they had dedicated systems for registration of importers and/or distributors.⁶⁷ These systems were usually located at the central registry of specific agencies, for example, the Chambers of Commerce, agencies in charge of sanitary regulations, control or surveillance and external commerce portals. One third of members maintained a list of authorized importers/distributors, which was either published on the website of respective agencies or else available upon request.

Information and documentation requirements for application and approval procedures

In general, the information requested by members in their respective import licence applications includes the following:

1. name and address of both exporter and importer;
2. address where the product would be held and where an activity would take place; (iii) product description;
3. number and size of packs and quantity of substances;
4. nature of business (pharmaceutical manufacturing, chemical distribution);
5. mode of import;
6. nature of transaction and type of currency unit; and
7. country of origin.

⁶³ Further analysis of import licensing procedures is based on the notifications submitted by 59 WTO Members.

⁶⁴ Members that have clarified whether the import licensing procedures are of automatic or non-automatic nature include Brazil, Israel, Jordan, North Macedonia, Paraguay, the Philippines, the Seychelles, Sri Lanka, Thailand and Viet Nam.

⁶⁵ Australia; Kingdom of Bahrain; Brazil; Canada; Cuba; Dominican Republic; Ecuador; European Union; Georgia; Honduras; Hong Kong, China; Israel; Jamaica; Kazakhstan; State of Kuwait; Kyrgyz Republic; Macao, China; Malaysia; Mauritius; New Zealand; North Macedonia; Philippines; Russian Federation; Sri Lanka; Seychelles; Singapore; Suriname; Switzerland and Liechtenstein; Tajikistan; Thailand; Tunisia; United States.

⁶⁶ Albania; Antigua and Barbuda; Australia; Bolivia; Brazil; Brunei Darussalam; Canada; Costa Rica; Ecuador; European Union; Guyana; Iceland; India; Israel, Jamaica; Jordan; Kazakhstan, Republic of Korea; Kyrgyz Republic; Macao China; Mauritius; North Macedonia; Paraguay; Russian Federation; Sri Lanka; Singapore; South Africa; Saint Lucia; Suriname; Switzerland and Liechtenstein; Tajikistan; Thailand; Tunisia; Turkey; Ukraine; Bolivarian Republic of Venezuela; United States. Members reported more specific conditions related to such product categories as narcotic drugs and controlled substances compared to pharmaceutical products and medicines.

⁶⁷ Brazil; Cuba; Dominican Republic; Honduras; Hong Kong, China; Japan; Malaysia; Mali; Mauritius; Montenegro; New Zealand; Panama; Philippines; Seychelles; Singapore; Suriname.

Several members also request an entity's registration number, INN and international sales contract number/sales contract.⁶⁸

To obtain a licence, the following documents are often requested:

1. application for a licence;
2. international contract/agreement and sales contract;
3. certificate of state registration;
4. certificate of origin;
5. confirmation of payment of the licence fee; and
6. *pro forma* invoice covering the importation.

In addition, members also require submission of specific documents for the importation of pharmaceutical products and narcotic drugs. These specific documents may include, for example: an activity licence for production, processing, purchase, storage, sale, use and destruction of toxic substances; certificate of sanitary and epidemiological storage of toxic substances; and a certificate of insurance.

In one quarter of cases, members may require import authorizations, certificates or approvals issued by the respective competent authorities of an importing member. In Brazil, Costa Rica, Mali and the Seychelles, these procedures were carried out via a single window, "one-stop shop" or online portal. Although more members (24 vs 16) indicated that a licence could be obtained within a shorter period of time than that specified in their respective notifications, this procedure was only available in exceptional cases and/or under emergency circumstances.⁶⁹ Importers were required to lodge their applications before actual importation took place, taking

into account the processing time, which ranges from a few days to a few months. No member indicated any specific limitations on the period of the year during which an application for a licence could be made.

Fees and other formalities

Most members indicated that no deposit or advance payment was required in order to issue a licence. In the case of Canada and the United States, a deposit or advance payment may be required for the issuance of a licence. Fees for import licence applications varied depending on the amount and value of the pharmaceutical products to be imported.⁷⁰ In Mali, importers paid 0.75 per cent of the FOB value. In Montenegro, the cost of a licence also depended on the value of imports and ranged from € 60 (up to € 5,000 of value) to € 1,000 (up to €1,000,000 of value).

Refusal and appeal

Thirty-eight members reported that an import licence application could only be rejected if it failed to meet standard criteria.⁷¹ One member, however, indicated that an application could also be refused if the annual quota granted to each entity was exceeded.⁷² In 90 per cent of cases, applicants had the right to appeal the decision to the respective relevant agencies, for example ministries in charge of health and commerce issues, administrative appeals tribunals, and courts.

Once issued, an import licence was generally valid from two weeks to five years and could only be extended in a limited number of circumstances.⁷³ None of the members that had notified their licensing systems to

68 Cuba, Kyrgyz Republic; North Macedonia, Thailand.

69 Brazil; Brunei Darussalam; Cuba; Guyana; Hong Kong, China; Iceland; India; Israel; Jamaica; Jordan; the State of Kuwait; Macao, China; Mali; Mauritius; Montenegro; Paraguay; Philippines; Seychelles; South Africa; Sri Lanka; Suriname; Switzerland and Liechtenstein; Ukraine.

70 Licensing fees as indicated in members' notifications: Albania, ALL 100,000 (US\$ 965); Antigua and Barbuda, no licence fee, 10 ¢ per form and a total of three forms required; Kingdom of Bahrain, BHD 50-100 (US\$ 132-265); Ecuador, fee depends on the FOB price; Georgia, GEL 50 (US\$ 16); Honduras, HNL 155 (US\$ 7); Jamaica, J\$ 776 (US\$ 5); Jordan - JOD 10 (US\$ 14); Kazakhstan, 10 MCI, with a 2020 MCI at KZT 2,778 (US\$ 7) for narcotic and toxic substances, and no licence fee for medicines; Kyrgyz Republic, KGS 300 (US\$ 4); Mali, 0.75 per cent of the FOB value as a contribution to the Import Inspection Programme; Mauritius, MUR 1,500-5,000 (US\$ 35-120) for antibiotics, vaccines and dangerous drugs, and MUR 6,000 (US\$ 141); Montenegro, 1 per cent of the total import/export/transit value for drugs, and € 60-1,000 (US\$ 71-1,779) for human and veterinary medicines; New Zealand, NZ\$ 194 (US\$ 136); Panama, PAB 10 (US\$ 10); Paraguay, PYG 420,900 (US\$ 61) for narcotic drugs, and PYG 280,000 (US\$ 41) for medicines; Philippines, PHP 350-3,000 (US\$ 7-60) for agricultural products and PHP 55-200 (US\$ 1-4) for animals; Russian Federation, RUB 7,500 (US\$ 100) and RUB 325,000 (US\$ 4,376); Switzerland and Liechtenstein, CHF 40 (US\$ 44) for import, transit or export of an animal, CHF 100 (US\$ 110) for a single authorization for drugs, CHF 200 (US\$ 220) for a general authorization for drugs, and CHF 100 (US\$ 110) for blood, blood products and immunological products; Tajikistan, TJS 40 (US\$ 8); Thailand, no licensing fee, and THB 30 (US\$ 1) is charged for each application form; Ukraine, UAH 780 (US\$ 30); Bolivarian Republic of Venezuela, a stamp of VES 232 (<1¢) for each application and VES 11,600 (5¢) per product is charged. Conversions are rounded to US dollars as of 26 August 2021.

71 Albania; Antigua and Barbuda; Australia; Kingdom of Bahrain; Brazil; Canada; Costa Rica; Cuba; Dominican Republic; Ecuador; European Union; Guatemala; Guyana; Honduras; Hong Kong, China; Iceland; India; Israel; Jamaica; Jordan; Japan; Kazakhstan; Republic of Korea, Macao, China; Malaysia; Mauritius; Republic of Moldova; Montenegro; New Zealand; North Macedonia; Panama; Paraguay; Philippines; Russian Federation; Saint Lucia; Seychelles; Singapore; South Africa; Sri Lanka; Suriname; Switzerland, Liechtenstein; Tajikistan; Thailand; Turkey; Ukraine; United States.

72 Ecuador.

73 The validity periods are: Albania, 2 weeks to 5 years; Antigua and Barbuda, 1 month; Australia, up to 6 months; Kingdom of Bahrain, up to 1 year; Brazil, 90 days; Brunei Darussalam, 6 months; Canada, up to 6 months; Costa Rica, 30 days; Cuba, as of date of issue until 31 December each year; Dominican Republic, up to 45 days; Ecuador, 180 days; European Union, up to 6 months; Guyana, 6 months; Honduras, 150 days; Hong Kong, China, 6 months; Iceland, 120 days; India, 18 months; Israel, 2-5 years; Jamaica, duration of the financial year; Japan, 6 months; Jordan, 1 year; Republic of Korea, 1 year; the State of Kuwait, 1 year; Kyrgyz Republic, 1 year; Macao, China, 30 days; Malaysia, 3 months; Mali, 12 months; Mauritius, up to 3 months; Republic of Moldova, 1-5 years; Montenegro, 3 and 6 months; New Zealand, 6 months to 3 years; North Macedonia, 3 or 6 months; Panama, 1 year; Paraguay, 30 days; Philippines, 60 days; Saint Lucia, 1 month; Seychelles, 1 year; Singapore, 6 months or 1 year; South Africa, 12 months; Sri Lanka, 1 year; Suriname, 3 months; Switzerland and Liechtenstein, 1 month for blood, blood products and immunological; Tajikistan, not less than 5 years; Thailand, 90 days; Tunisia, 12 months; Turkey, 12 months; United States, generally 1 year; and Bolivarian Republic of Venezuela 4 months and 180 days.

the WTO penalized importers for non-utilization of licences. Licences were non-transferable among importers.

Importation

At the time of importation, members generally require the submission of a standard custom clearance documentation, which includes, *inter alia*:

1. import licence;
2. commercial invoice;
3. certificate of origin;
4. conformity/recognition certificate;
5. quality certificate;
6. bill of lading/airway bill;
7. formal customs entry; and
8. a valid operational licence.

A few members also require a complementary overseas export permit for some substances.

With respect to other administrative procedures, some members indicated that a proof of authorization/ registration from the relevant agencies (e.g. revenue authorities, pharmacy boards) was also required.⁷⁴

Foreign exchange

Nearly three quarters of members reported that there were either no limitations regarding foreign exchange or that the questions on foreign exchange in the WTO import licensing questionnaire were not applicable to them. Thirteen members reported that an import licence was not required to obtain foreign exchange⁷⁵; while an import licence remained a necessary requirement for five members.⁷⁶ With respect to specific formalities, most members reported that importers had to follow the banking procedures set out by commercial banks.

⁷⁴ Australia; Brazil; European Union; Honduras; Malaysia; Mauritius; New Zealand; Sri Lanka; Suriname; Switzerland and Liechtenstein; Thailand; United States.

⁷⁵ Costa Rica; Dominican Republic; Ecuador; Georgia; Hong Kong, China; Iceland; Jamaica; Japan; Kazakhstan; Seychelles; Suriname; Tajikistan; Ukraine.

⁷⁶ Kingdom of Bahrain, India, Mauritius, Republic of Moldova, Sri Lanka.

5.

HAZARDOUS WASTE

BASEL CONVENTION

Thirty-eight WTO members submitted notifications on import licensing procedures on hazardous wastes. The number of members applying these procedures is likely to be much higher since 158 WTO members are also party to the Basel Convention. Members implement import licensing procedures on hazardous wastes to protect the life and health of the population, the environment, and to fulfil international obligations under the Basel Convention. Given the nature and inherent risks of hazardous wastes, members mostly use non-automatic import licensing procedures.

According to members' replies, documentation requirements during the application and importation include – in addition to a standard set of documents – specific information relating to the product, including the method of waste disposal, liability insurance, and evidence of environmentally sound management (ESM). Validity periods vary extensively among members, as they do in relation to import licensing procedures on other products.

5.1. International trade in hazardous waste

5.1.1. International trade regulation of rough diamonds⁷⁷

“ Basel Convention

The Basel Convention aims to:

Increasingly tight environmental laws and regulations in industrialized nations in the late 1980s led to an abrupt rise in the cost of hazardous waste treatment. Looking for new ways to reduce the increasing cost of disposal, some waste traders began shipping hazardous wastes to developing countries. Various tragic incidents involving ships carrying hazardous wastes from developed countries attempting to dispose of their shipments in developing countries without the capacity to handle them safely evidenced the need for global cooperation to prevent and combat these types of activities. These incidents triggered the negotiations of the Basel Convention.

In the 1980s, the management of hazardous waste was included as one of the three priority areas in the United Nations Environmental Programme (UNEP).

In 1989, the Basel Convention was adopted; entering into force in 1992

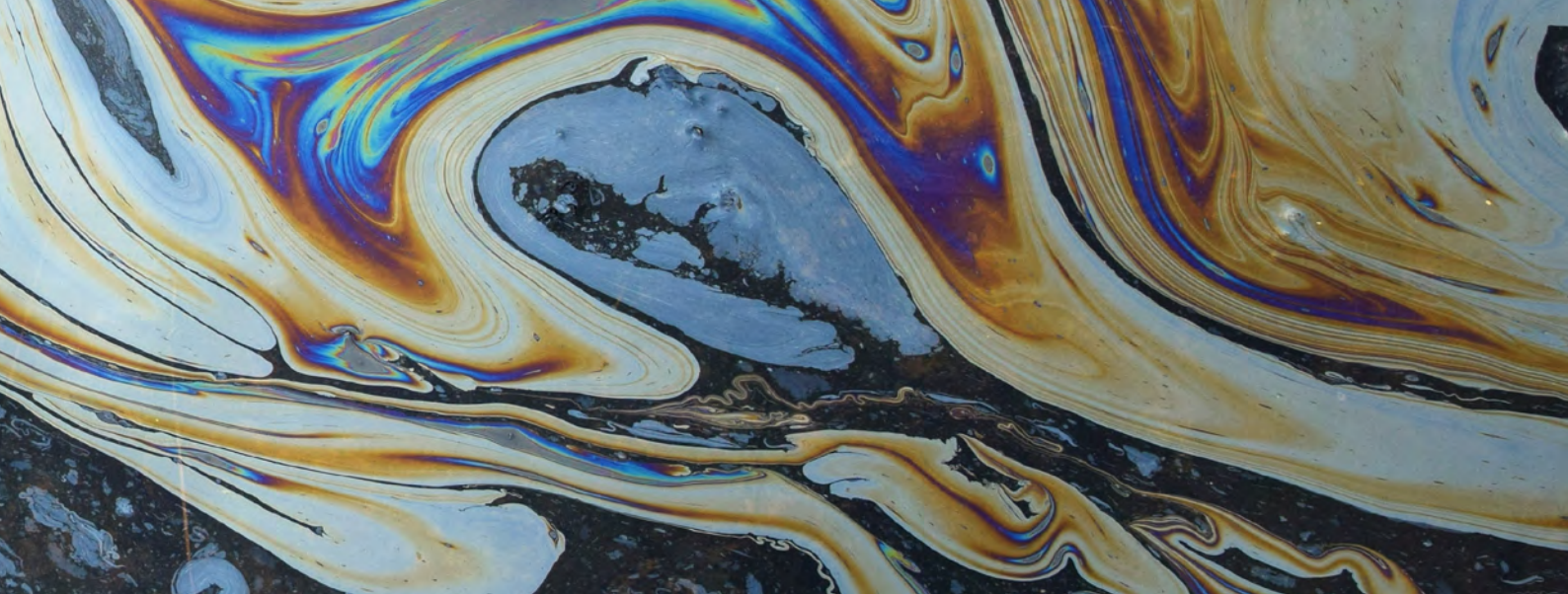
- a. Reduce hazardous waste generation and promote environmentally sound management (ESM) of hazardous wastes, wherever the place of disposal;
- b. Restrict transboundary movements of hazardous wastes except where it is perceived to be in accordance with the principles of ESM; and
- c. Apply a regulatory system to cases where transboundary movements are permissible.

Article 1:1 of the Basel Convention defines hazardous wastes as wastes that belong to any category listed in Annex I Categories of Wastes to be Controlled, unless they do not possess any of the characteristics contained in Annex III – for example, being explosive, flammable, toxic or corrosive. Similarly, hazardous wastes that are not covered in either Annex I or Annex III, but which are defined or considered as hazardous by the domestic legislation fall under the scope of the Basel Convention.⁷⁸

Since its entry into force in 1992, the Basel Convention has been amended several times. As part of these amendments, Annexes VIII and IX were added to further clarify which wastes were covered by the Convention. Detailed waste lists – Lists A and B, in Annexes VIII and IX – were amended, adding new entries in 2003, 2005 and 2014.

⁷⁷ The Basel Convention has 188 parties. Further information is hosted on the dedicated website <http://www.basel.int>.

⁷⁸ Article 3:1 of the Basel Convention states: “Each Party shall, within six months of becoming a Party to this Convention, inform the Secretariat of the Convention of the wastes, other than those listed in Annexes I and II, considered or defined as hazardous under its national legislation and of any requirements concerning transboundary movement procedures applicable to such wastes.”



The Basel Convention regulates the transboundary movement of hazardous wastes and other wastes by applying the concept of PIC.⁷⁹ This means that imports, transits, and exports of wastes that fall under the Basel Convention are only allowed when all concerned parties have given their consent before the movement is initiated (UNEP/FAO, 2014).

The PIC procedure stands at the core of the Basel Convention and comprises the following four stages:

1. notification;
2. consent and issuance of movement document;
3. transboundary movement; and
4. confirmation of disposal.

The purpose of stage 1, notification, is to inform the country or customs territory of import (or transit) of a proposed transboundary movement of hazardous wastes or other wastes. An exporter/generator of waste must also inform the competent authority⁸⁰ of the State of export of a proposed shipment of hazardous wastes or other wastes. This notification must be in a

language that is acceptable for the country or customs territory of import (or transit) and must, *inter alia*, contain the following information, as specified in Annex V of the Basel Convention:

1. the reason for the waste export;
2. the exporter of the waste;
3. the generator of the waste and site of generation;
4. the disposer of the waste and the actual site of disposal;
5. the intended carrier(s) of the waste or their agents, if known; and
6. the country or customs territory of export of the waste.

The purpose of stage 2 is to ensure that the country or customs territory of import (or transit) agrees to the proposed transboundary movement and that the required documentation accompanies this shipment. Stage 3 covers the movement of hazardous wastes, accompanied by all the documents that provide the relevant information on a particular consignment. Finally, in stage 4 of the transboundary movement procedure, the generator and the country or customs territory

of export receive confirmation that the wastes that were moved across borders have been disposed of by the disposer as planned and in an environmentally sound manner. The Basel Convention requires a confirmation from the disposer when the disposal has taken place, according to the terms of the contract, as specified in the notification document (UNEP/FAO, 2014).

In addition to the PIC procedure, specific conditions must be met for a transboundary movement to take place. For example, movements to and from nonparties are illegal unless there is a special agreement between them. Another important requirement is that the exporter and the disposer of the waste must conclude a contract specifying that the waste will be disposed of in an environmentally sound manner; by which, the Basel Convention means that all practical steps have been taken to ensure that wastes have been managed in a way that will protect human health and the environment from the adverse effects that may result from such wastes (UNEP/FAO, 2014).

⁷⁹ Article 2:2 of the Basel Convention defines transboundary movement as “any movement of hazardous wastes or other wastes from an area under the national jurisdiction of one State to or through an area under the national jurisdiction of another State or to or through an area not under the national jurisdiction of any State, provided at least two States are involved in the movement”.

⁸⁰ Article 2:6 of the Basel Convention defines competent authority as “one governmental authority designated by a Party to be responsible, within such geographical areas as the Party may think fit, for receiving the notification of a transboundary movement of hazardous wastes or other wastes, and any information related to it, and for responding to such a notification, as provided in Article 6” of the Convention on transboundary movement between parties.

5.1.2. Basel Convention and the WTO

As of December 2020, the Basel Convention has 190 participants; it entered into force for the 188 of these participants that ratified it and are party to the Convention.⁸¹ Of these parties, 158 are also WTO members; while six WTO members are not party to the Convention, and 32 parties are not WTO members (Table 15). Members implementing import licensing procedures on hazardous wastes aim to minimize and/or eliminate the risk posed by these products to the health and lives of people, and animals and to the environment as a whole.

Table 15: Table 15. Membership of the WTO and Basel Convention (as of December 2020)

WTO members and Basel Convention parties	Afghanistan; Albania; Angola; Antigua and Barbuda; Argentina; Armenia; Australia; Austria; Kingdom of Bahrain; Bangladesh; Barbados; Belgium; Belize; Benin; Plurinational State of Bolivia; Botswana; Brazil; Brunei Darussalam; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Canada; Central African Republic; Chad; Chile; China; Colombia; Congo; Costa Rica; Côte d'Ivoire; Croatia; Cuba; Cyprus; Czech Republic; Democratic Republic of the Congo; Denmark; Djibouti; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; Estonia; Eswatini; European Union; Finland; France; Gabon; Gambia; Georgia; Germany; Ghana; Greece; Guatemala; Guinea; Guinea-Bissau; Guyana; Honduras; Hong Kong, China ^a ; Hungary; Iceland; India; Indonesia; Ireland; Israel; Italy; Jamaica; Japan; Jordan; Kazakhstan; Kenya; Republic of Korea; the State of Kuwait; Kyrgyz Republic; Macao, China ^b ; Lao People's Democratic Republic; Latvia; Lesotho; Liberia; Liechtenstein; Lithuania; Luxembourg; Madagascar; Malawi; Malaysia; Maldives; Mali; Malta; Mauritania; Mauritius; Mexico; Republic of Moldova; Mongolia; Montenegro; Morocco; Mozambique; Myanmar; Namibia; Nepal; Netherlands; New Zealand; Nicaragua; Niger; Nigeria; North Macedonia; Norway; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Poland; Portugal; Qatar; Romania; Russian Federation; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; Kingdom of Saudi Arabia; Senegal; Seychelles; Sierra Leone; Singapore; Slovak Republic; Slovenia; South Africa; Spain; Sri Lanka; Suriname; Sweden; Switzerland; Tajikistan; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Uganda; Ukraine; United Arab Emirates; United Kingdom; Uruguay; Vanuatu; Bolivarian Republic of Venezuela; Viet Nam; Yemen; Zambia; Zimbabwe.
WTO members which are not party to the Basel Convention	Fiji, Grenada, <i>Haiti (signed but not ratified)</i> , Solomon Islands, Chinese Taipei, <i>United States (signed but not ratified)</i> .
Basel Convention parties which are not WTO members	Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan, Bosnia and Herzegovina, Comoros, Cook Islands, Democratic People's Republic of Korea, Equatorial Guinea, Eritrea, Ethiopia, Iran, Iraq, Kiribati, Lebanese Republic, Libya, Marshall Islands, Federated States of Micronesia, Monaco, Nauru, Palau, Palestine, Sao Tomé and Principe, Serbia, Somalia, Sudan, Syrian Arab Republic, Turkmenistan, Tuvalu, Uzbekistan.

^a See footnote 7, <http://www.basel.int/Countries/StatusofRatifications/PartiesSignatories/tabid/4499/Default.aspx>.

^b See footnote 6, <http://www.basel.int/Countries/StatusofRatifications/PartiesSignatories/tabid/4499/Default.aspx>.

Source: Basel Convention online information available at <http://www.basel.int>



⁸¹ Participants that have not ratified the Basel Convention, and for which it has not entered into force, include Haiti and the United States.

Table 16: Table 16. HS classification of hazardous waste

HS Chapter	Description
05	Animal originated products; not elsewhere specified or included
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit, industrial or medicinal plants; straw and fodder
13	Lac; gums, resins and other vegetable saps and extracts
14	Vegetable plaiting materials; vegetable products not elsewhere specified or included
15	Animal or vegetable fats and oils and their cleavage products; prepared animal fats; animal or vegetable waxes
18	Cocoa and cocoa preparations
23	Food industries, residues and wastes thereof; prepared animal fodder
25	Salt; sulphur; earths, stones; plastering materials, lime and cement
26	Ores, slag and ash
27	Mineral fuel, mineral oils and products of their distillation; bituminous substances; mineral waxes
28	Organic chemicals; organic and inorganic compounds of precious metals; of rare-earth metals, of radioactive elements and of isotopes
30	Pharmaceutical products.
31	Fertilizers
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints, varnishes; putty, other mastics; inks
36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations
38	Miscellaneous chemical products
41	Raw hides and skins (other than furskins) and leather
47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard
68	Articles of stone, plaster, cement, asbestos, mica or similar materials
70	Glass and glassware
74	Copper and articles thereof
75	Nickel and articles thereof
76	Aluminium and articles thereof
78	Lead and articles thereof
79	Zinc and articles thereof
80	Tin and articles thereof
81	Other base metals; cermets; articles thereof
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles
86	Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof
91	Clocks and watches and parts thereof
92	Musical instruments; parts and accessories of such articles
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings
95	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings
96	Miscellaneous manufactured articles

Note: For a full list of six-digit HS codes, see the correlation table between the product coverage of selected international conventions and the HS.

Source: WCO online information and correlations between the HS and international conventions available at <http://www.wcoomd.org/en/online-services.aspx>.

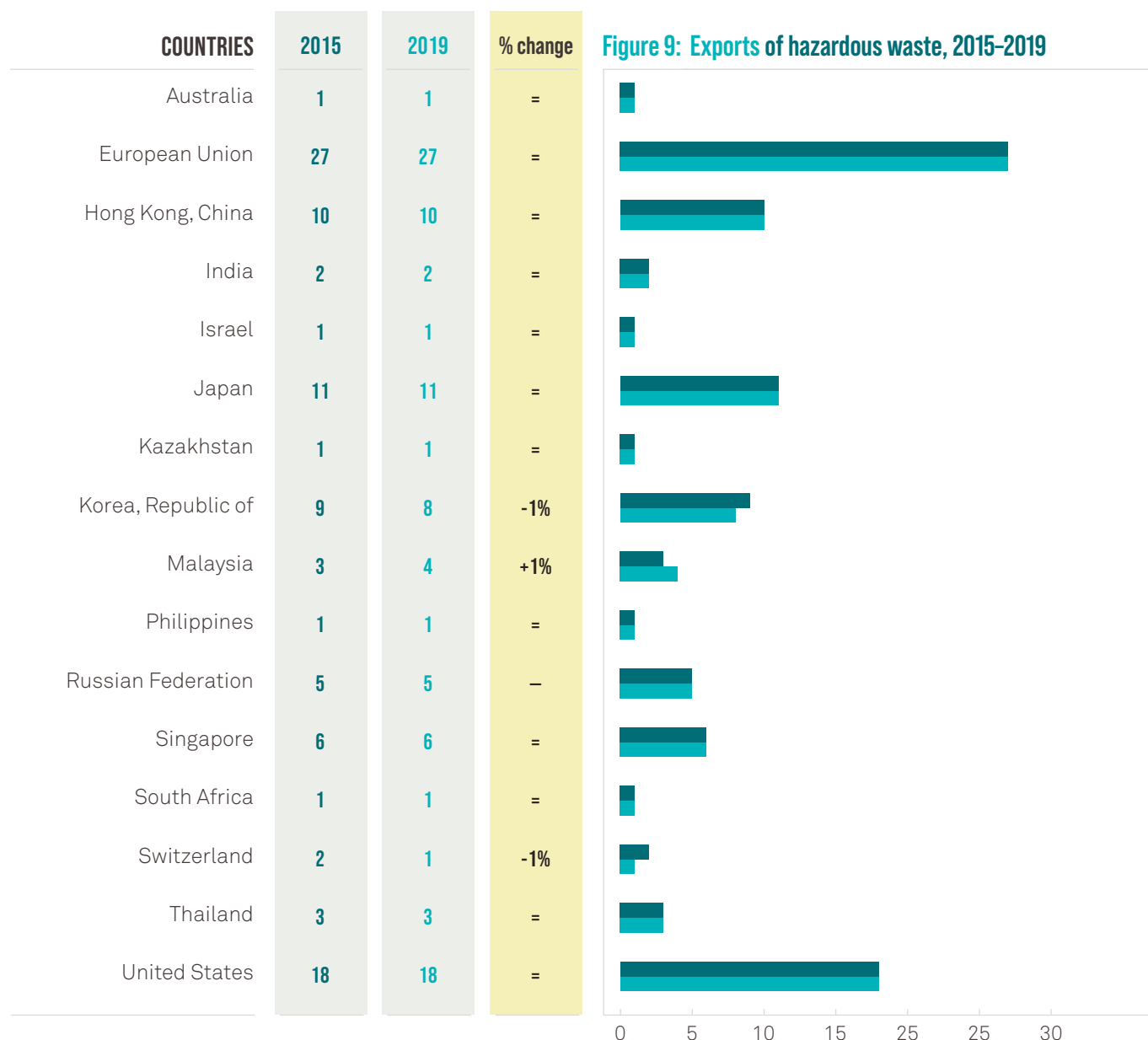


International trade of hazardous waste

Exports of hazardous wastes increased marginally from US\$ 3,519 billion in 2015 to US\$ 3,995 billion in 2019. The main exporters were: the European Union; the United States; Japan; and Hong Kong, China (Figure 9). With respect to imports, the total amount increased from US\$ 4,014 billion in 2015 to US\$ 4,709 billion in 2019. The main importers were: the United States; the European Union; and Hong Kong, China (Figure 10).⁸²

■ 2015 ■ 2019

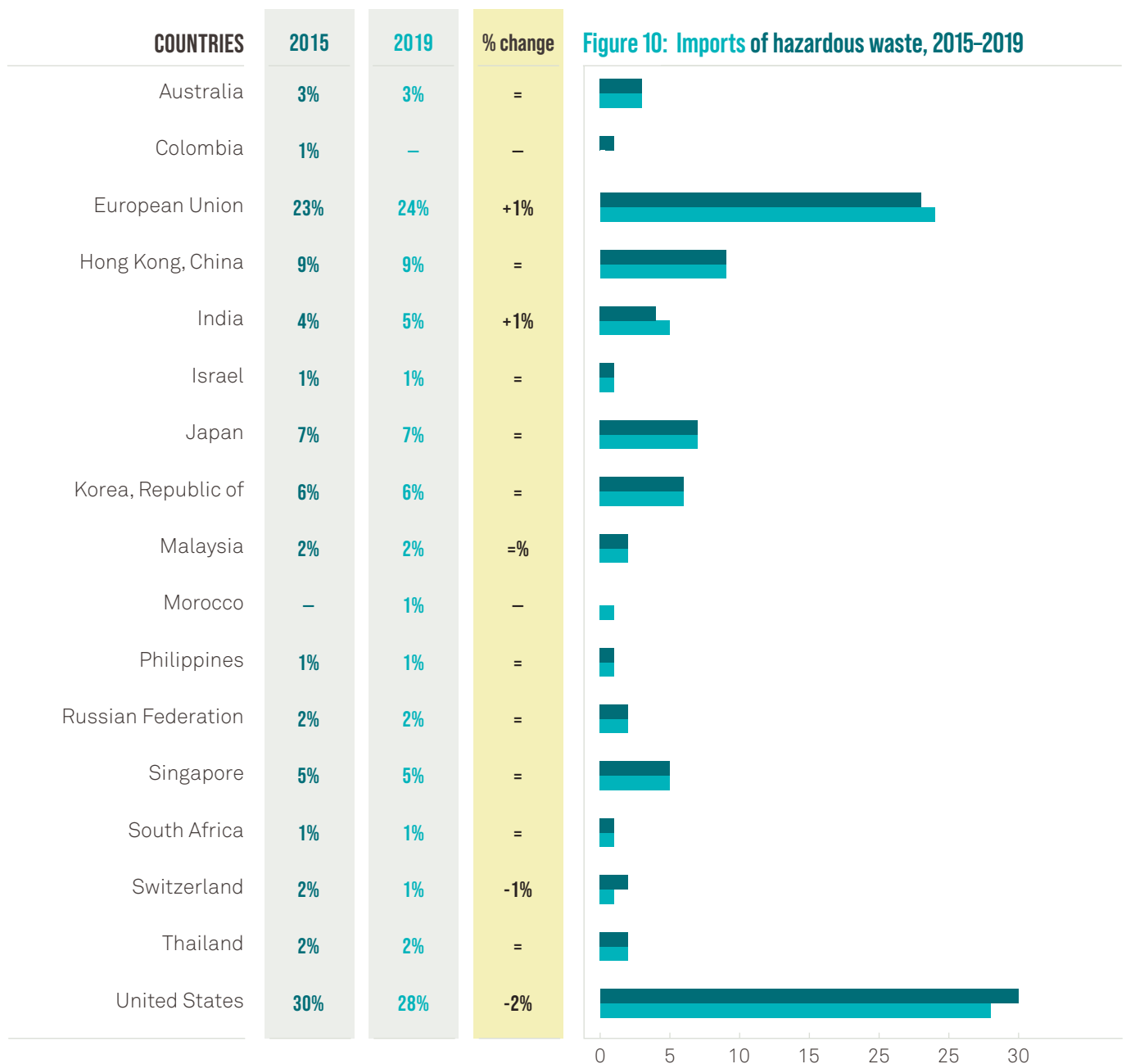
Source: UN Comtrade database, Trade Data Monitor (TDM)



82 In 2020, exports of hazardous wastes decreased to US\$3,605 billion and imports – to US\$4,130 billion.

2015 2019

Source: UN Comtrade database, Trade Data Monitor (TDM)



According to Article XX(b) and (g) of the GATT 1994, WTO members can adopt measures necessary to protect human, animal or plant life or health and the environment.

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any contracting party of measures:

- ...
- (b) necessary to protect human, animal or plant life or health;
- ...
- (g) relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption

The Basel Convention and the ILP Agreement provide for specific trade policy requirements to be implemented or complied with by parties and members. Through implementation of these requirements, the Convention aims to eliminate the risk of damage to human health and the environment caused by hazardous wastes and other wastes, as well as by transboundary movement of those wastes. For its part, the ILP Agreement aims to simplify and bring transparency to the use of administrative procedures and practices upon importation, and to ensure their fair and equitable application.

Both treaties contain provisions relating to the publication, availability and exchange of information. Specifically, Article 1:4(a) of the ILP Agreement specifies what type of information must be published (*i.e.* rules and procedures concerning the submission of applications and the eligibility of persons) and sets a concrete time frame for publication (wherever practicable, 21 days before the entry into force, or in all events no later than the date of entry into force). Moreover, it states that the sources of these publications and copies of the relevant legislation must be notified to the WTO Secretariat. In addition, all WTO members should be provided an opportunity to make comments in writing.

The Basel Convention contains provisions that encourage parties: (i) to exchange and disseminate information on the transboundary movement of hazardous wastes to improve the ESM of such wastes and prevent illegal traffic (Preamble and Article 4); and (ii) upon request, to make available information *inter alia* to promote the ESM of hazardous wastes, low-waste technologies, and harmonized technical standards, practices and guidelines (Article 10).

In addition to publication requirements, both instruments have specific notification requirements and procedures. With respect to the notification of import licensing

procedures, WTO members have to notify their import licensing laws, regulations and procedures or any thereof within 60 days of publication. Article 5 of the ILP Agreement provides a complete list of information to be notified, namely, list of products, contact point for information, and date and name of publication. Moreover, all WTO members must also submit an annual questionnaire on import licensing procedures before 30 September of each year (Article 7.3).

Under the Basel Convention, parties must notify the WTO Secretariat of the following: (i) the national definition of hazardous waste within six months of becoming a party to the Convention (Article 3), and any changes related to the definitions (Articles 3 and 13); (ii) the designation of competent authorities and/or focal points within three months of the date of entry into force of the Convention for the parties (Article 5), and any subsequent modifications have to be notified within one month (Articles 5 and 13); (iii) decisions taken by them not to consent totally or partially to the import of hazardous wastes or other wastes for disposal within the area under their national jurisdiction (Article 3); and (iv) decisions taken by them to limit or ban the export of hazardous or other wastes (Article 13). In addition, each party has to submit to the WTO Secretariat – before the end of each calendar year – a report for the previous calendar year. This report must include information on competent authorities and focal points, information on transboundary movement of hazardous wastes or other wastes, and any measures adopted by parties on the Convention's implementation.⁸³

Table 17 provides information on the WTO members that apply import licensing procedures on the imports of hazardous wastes, as notified to the Committee on Import Licensing. It also shows the relevant dates for the entry into force of the Basel Convention for various parties to it.

83 The report is to contain (Article 13:3): "... (d) Information on available qualified statistics which have been compiled by [the parties] on the effects on human health and the environment of the generation, transportation and disposal of hazardous wastes or other wastes; (e) Information concerning bilateral, multilateral and regional agreements and arrangements ... ; (f) Information on accidents occurring during the transboundary movement and disposal of hazardous wastes and other wastes and on the measures undertaken to deal with them; (g) Information on disposal options operated within the area of their national jurisdiction; (h) Information on measures undertaken for development of technologies for the reduction and/or elimination of production of hazardous wastes and other wastes; ...".

**Table 17: WTO members that notified import licensing procedures on importation of hazardous waste
(as per submitted notifications)**

WTO member	WTO notification		EIF Basel Convention
	Document symbol	Date	
Albania	G/LIC/N/3/ALB/10	20 November 2020	27/Sep1999
Australia	G/LIC/N/3/AUS/13	26 October 2020	05 May 1992
Bahrain, Kingdom of	G/LIC/N/3/BHR/3	17 December 2019	13 Jan 1993
Bolivia, Plurinational State of	G/LIC/N/3/BOL/3	29 June 2000	13 Feb 1997
Colombia	G/LIC/N/3/COL/13	16 April 2020	31 Mar 1997
European Union	G/LIC/N/3/EU/9	16 September 2020	08 May 1994
Georgia	G/LIC/N/3/GEO/8	19 November 2018	18 Aug 1999
Hong Kong, China	G/LIC/N/3/HKG/24	19 October 2020	Applies ^a
India*	G/LIC/N/3/IND/19	04 November 2019	22 Sep 1992
Israel	G/LIC/N/3/ISR/4	17 September 2018	14 Mar 1995
Japan	G/LIC/N/3/JPN/19	06 October 2020	16 Dec 1993
Jordan*	G/LIC/N/3/JOR/3	05 October 2016	05 May 1992
Kazakhstan	G/LIC/N/3/KAZ/5	19 October 2020	01 Sep 2003
Kenya	G/LIC/N/3/KEN/2	03 April 2003	30 Aug 2000
Korea, Republic of	G/LIC/N/3/KOR/13	02 December 2020	29 May 1994
Kyrgyz Republic	G/LIC/N/3/KGZ/2	09 October 2006	11 Nov 1996
Madagascar	G/LIC/N/3/MDG/6	19 May 2011	31 Aug 1999
Malaysia	G/LIC/N/3/MYS/14	08 April 2020	06 Jan 1994
Mauritius	G/LIC/N/3/MUS/10	25 September 2020	22 Feb 1993
Montenegro	G/LIC/N/3/MNE/4	08 July 2020	03 Jun 2006
Morocco	G/LIC/N/3/MAR/7	17 October 2008	27 Mar 1996
New Zealand	G/LIC/N/3/NZL/6	01 November 2019	20 Mar 1995
North Macedonia	G/LIC/N/3/MKD/7	06 March 2018	14 Oct 1997
Philippines	G/LIC/N/3/PHL/13	16 September 2020	19 Jan 1994
Russian Federation	G/LIC/N/3/RUS/5	09 October 2019	01 May 1995
Seychelles	G/LIC/N/3/SYC/3	18 September 2020	09 Aug 1993
Singapore	G/LIC/N/3/SGP/15	24 April 2020	01 April 1996
South Africa	G/LIC/N/3/ZAF/8	04 November 2019	03 Aug 1994
Sri Lanka	G/LIC/N/3/LKA/2	19 February 2014	26 Nov 1992
Suriname	G/LIC/N/3/SUR/1	09 October 2009	19 Dec 2011
Switzerland and Liechtenstein	G/LIC/N/3/CHE/16	08 October 2020	05 May 1992
Thailand	G/LIC/N/3/THA/7	06 October 2020	22 Feb 1998
Tunisia	G/LIC/N/3/TUN/6	28 September 2011	09 Jan 1996
United States	G/LIC/N/3/USA/16	28 Jan 2020	Signed but not ratified
Venezuela, Bolivarian Republic of	G/LIC/N/3/VEN/1	22 May 2002	01 Jun 1998
Viet Nam	G/LIC/N/3/VNM/2	26 September 2014	11 Jun 1995

* Given that these notifications do not use the HS Codes to identify the products, it is not clear if and to what extent the product categories notified by these members as “waste” include the category “hazardous waste” as defined by the Basel Convention.

a See footnote 7, <http://www.basel.int/Countries/StatusofRatifications/PartiesSignatories/tabid/4499/Default.aspx>.

Source: WTO Secretariat, Basel Convention online information available at <http://www.basel.int>.



5.2. Analysis of import licensing procedures on hazardous waste from notified Members

As of December 2020, 36 WTO members had submitted notifications on import licensing procedures on hazardous wastes (Table 17). Only onethird of members had provided information on the type of import licensing procedures in place; most members had categorized these procedures as non-automatic, except for Switzerland, which reported that its import licensing procedures were automatic. Generally, they were all applied to protect the life and health of the population, and the environment, and to fulfil international obligations under the Basel Convention. Only one member indicated that it used a system that restricted the quantity of imports.⁸⁴

Legal requirements

Licensing procedures for imports of hazardous wastes are required under various laws and regulations in WTO members that have notified them. Fifteen members⁸⁵ indicated that the government could not abolish the system without legislative approval. In most members, the government leaves the designation of products subject to licensing to administrative discretion.

Who is eligible to import

Most of the members that had notified such procedures did not impose any restrictions on eligibility. Only four members reported specific conditions on eligibility. These related to the following:

1. essential requirements for the storage of hazardous chemicals and recovery/reuse premise/facility (Albania, Malaysia); and
2. prior registration/accreditation from respective agencies (Philippines, Mauritius).

Only five members reported that they published a list of importers that was available online.⁸⁶

Information and documentation requirements for application and approval procedures

When lodging an application for an import licence, members are usually requested to provide the following information:

1. applicant's name and address, and in some cases also an applicant's financial situation;
2. description of the material to be imported;
3. method of transportation;
4. ports of entry for importation;
5. method of disposal of the waste;
6. information on the availability of technical possibilities for the use of hazardous wastes; and
7. registration certificate.

A list of documents to be submitted with the application typically includes such general documents as the application form and a registration document from the tax authority, as well as specific documents relating to the importation of hazardous wastes. The latter include, *inter alia*, the following:

1. contract for transportation and contract between the importer and the person responsible for the disposal of the waste;
2. notification and relevant documents relating to the transboundary transportation of hazardous wastes;
3. documents certifying insurance coverage, bond or other guarantee for the transboundary movement of hazardous wastes and evidence of an exporter's guarantee for the export of hazardous waste;
4. verification that the disposal is environmentally sound and safe;
5. the capability of the processors to treat the material, and that appropriate insurance and contracts have been obtained/arranged;
6. evidence of ESM; and
7. conclusion of an ecological examination.

⁸⁴ Colombia.

⁸⁵ Australia; Georgia; Hong Kong, China; Israel; Kazakhstan; Kyrgyz Republic; New Zealand; North Macedonia; Philippines; Seychelles; Singapore; Suriname; Switzerland and Liechtenstein; Tunisia; United States.

⁸⁶ Montenegro, Philippines, Seychelles, Switzerland and Liechtenstein, Suriname.

Members do not impose any limitations regarding the period of the year when an application for a licence may be made. Licences in most cases cannot be granted immediately upon request, as the processing time for most applications takes from a few days to six months.⁸⁷ Ten members indicated that licences could be issued immediately.⁸⁸ In a few cases, such as in Australia and Suriname, a prior authorization from other agencies may also be required.

Fees and other formalities

Around 40 per cent of members charge import licence fees, which vary depending on the quantity and the value of the imports.⁸⁹ Generally, there are no requirements for advance payments and fees are nonrefundable. Three members (Hong Kong, China; Malaysia; Thailand) indicated that an advance payment/deposit was required. In Hong Kong, China a bond or financial guarantee may be required to enable the waste disposal authority to recover the costs of any seizure or disposal or alternative ESM of waste in case the intended waste shipment cannot be completed as originally intended. Malaysia charges a refundable bank guarantee for the amount of MYR 10,000 (US\$ 2,300) to be deposited with the Department of Environment for the scheduled waste shipment process. This fee is returned upon completion of the transboundary movement provided the importer complies with all the conditions set out in the import permit.

In addition, Thailand charges a deposit or advance payment for import of used pneumatic tyres of rubber for buses or trucks.

Refusal and appeal

Twenty-eight members indicated that applications can only be refused if they did not meet ordinary criteria.⁹⁰ In Australia, however, permit applications can be refused on various grounds, for example, if the minister considers that it would not be in the public interest to grant a permit. Almost all members communicated the reasons for refusal to the applicant; only six members, including Israel, Kazakhstan and Sri Lanka, specifically indicated that the reasons are communicated in writing.⁹¹ Depending on the member, applicants can generally appeal the decisions to various institutions and agencies, including administrative appeals tribunals, administrative organs, courts and the ministries concerned. In the majority of members, licences are issued based on the name of an importer and they are therefore non-transferable. In the Kingdom of Bahrain and Georgia, licences are transferable between importers; and in Colombia, licences may be modified. The validity period varies from one month to five years.⁹² Malaysia and the Philippines indicated that importers may be penalized for the non-utilization of licences.

87 Processing time for applications are: Georgia, 20 days; Japan, 1 week for mercury and 40 days for mercury-added products; Kazakhstan, 15 working days; Kyrgyz Republic, licences are issued within 30 days; Montenegro, 30 days; Morocco, 30 days; North Macedonia, 15 days; Philippines, 30 or 60 days depending on a product; Russian Federation, 45 days; Singapore, 7 days; Sri Lanka, application should be made at least 1 week before shipment; Thailand, 1-2 weeks; and United States, 4-6 months.

88 Kingdom of Bahrain, India, Israel, Mauritius, Philippines, Seychelles, South Africa, Sri Lanka, Suriname, and Switzerland and Liechtenstein.

89 Import licence fees as indicated in members' notifications are: Kingdom of Bahrain, BHD 50-100 (US\$ 132-265); Colombia, US\$ 7.50; Georgia, GEL 40 (US\$ 13); Hong Kong, China, HK\$ 11,595 (US\$ 1,489) or HK\$ 18,430 (US\$ 2,367); Jordan, JOD 10 (US\$ 14); Kazakhstan, licence application fee was 10 MCIs, in 2020, MCI is KZT 2,778 (US\$ 7); Kyrgyz Republic, KGS 300 (US\$ 4); Montenegro, € 2 (USD 2.4); Russian Federation, RUB 7,500 (US\$ 100) and RUB 325,000 (US\$ 4,376); Singapore, S\$ 125 (US\$ 93) or S\$ 335 (US\$ 250) for hazardous waste for a 3 month or annual permit and S\$ 115 (US\$ 85) or S\$ 525 (US\$ 390) for hazardous substances; Switzerland, CHF 3-5 (US\$ 3-6) per batch of goods cleared through customs for agricultural products (general import permit) and but at least CHF 50 (US\$ 55) and at the most CHF 5,000 (US\$ 5,482) per licence for war materiel products; Tunisia, TND 1 (US\$ 0.36); United States, US\$ 70 for commercial trade in endangered plants. Conversions are rounded to US dollars as of 26 August 2021.

90 Kingdom of Bahrain; Colombia; Georgia; Hong Kong, China; India; Israel; Japan; Jordan; Kazakhstan; Republic of Korea; Kyrgyz Republic; Malaysia; Mauritius; Montenegro; New Zealand; North Macedonia; Philippines; Russian Federation; Seychelles; Singapore; South Africa; Sri Lanka; Suriname; Switzerland and Liechtenstein; Thailand; Tunisia; United States; Bolivarian Republic of Venezuela.

91 Georgia, Israel, Kazakhstan, Kyrgyz Republic; Russian Federation; Sri Lanka.

92 The validity periods are: Australia, up to 12 months; Kingdom of Bahrain, 1 year; Colombia, up to 6 months; Georgia, up to 12 months; Hong Kong, China, either a single-shipment permit or multiple shipment valid for 1 year; Israel, 2-5 years; Japan, 6 months; Jordan, up to 3 months; Republic of Korea, 1 year; Kyrgyz Republic, up to 1 year; Malaysia, up to 12 months; Mauritius, 12 months; Montenegro, 1 year; Morocco, 6 months; New Zealand, 12 months; North Macedonia, 3 or 6 months; Philippines, for the importation of live animals, meat, dairy products, eggs, feeds and feed ingredients, products of animal origin and veterinary drugs, licences must be utilized within 60 days of issuance; Seychelles, 1 year; South Africa, 12 months; Sri Lanka, 1 year; Suriname, 3 months; Switzerland and Liechtenstein, 1 year for war materiel; Thailand, 3 months; Tunisia, 12 months; United States, as specified, endangered or threatened plants is valid for two years; and Bolivarian Republic of Venezuela, semiannual period.

Other conditions for importation

With respect to the importation of hazardous wastes, none of the members impose any limitations on the period during which an importation can be made. Each importation must generally be accompanied by a number of documents, which include, *inter alia*, the following:

1. import permit;
2. movement/tracking form;
3. valid export permit from the country of origin;
4. waste movement document recording the details of the waste shipment;
5. liability insurance covering any claims arising out of damage to human health, property and the environment;
6. approval certificate from specific agencies;
7. standards customs documentation along with a valid licence;
8. various shipping documents such as the bill of lading/airway bill and invoice.

Six members⁹³ – indicated that certain other administrative procedures may be required prior to importation. These additional administrative procedures relate to the approval certifications requested from other agencies.

Foreign exchange

Eighteen members⁹⁴ reported that foreign exchange was automatically provided by banking authorities and/or that there were no restrictions on foreign exchange. In India and South Africa, import licence/authorization was a required condition to obtain foreign exchange. Around one quarter of members stated that the foreign exchange questions in the WTO import licensing questionnaire were not applicable to them. The Seychelles, Sri Lanka and Suriname reported that importers must follow commercial banking procedures to obtain foreign exchange. For ten members, questions relating to foreign exchange were either indicated as non-applicable or the member in question provided no response.⁹⁵

93 Australia, Malaysia, Philippines (bioethanol importation), Russian Federation, Suriname and Thailand.

94 Georgia, India, Israel, Japan, Kazakhstan, Republic of Korea, Kyrgyz Republic, Mauritius, Montenegro, Morocco, Russian Federation, Seychelles, South Africa, Sri Lanka, Suriname, Switzerland and Liechtenstein, Tunisia and Bolivarian Republic of Venezuela.

95 Albania; Australia; Kingdom of Bahrain; Jordan; Malaysia; New Zealand; North Macedonia; Philippines; Singapore; United States.

Part III

Import licensing procedures remain a type of NTM widely used by WTO members. This research has reviewed members' notifications under five commonly notified product categories: hazardous chemicals; rough diamonds; fertilizers and pesticides; pharmaceutical products; and hazardous wastes.

WTO import licensing notifications are an important source of information on Members' import licensing regimes. Hence a higher number of comprehensive notifications would result in a more thorough overview of Members' import licensing regimes.

Improvements to the number and quality of notifications could include: (i) more specific and complete answers to all the questions in the annual questionnaire; (ii) indication of relevant HS codes for the products notified; and (iii) separation of import licensing procedures by either product categories, relevant regulations or responsible agencies. However, it is clear from the data that the majority of members implement import licensing procedures in these sectors that are non-restrictive in nature. Notably, 73 per cent of responses across all five product categories stated that there were no limits on the quantity of imported products.

Members largely categorize their import licensing procedures in these sectors as non-automatic. Most of these procedures aim to protect human, animal or plant life or health, to safeguard the environment, to comply with international obligations, and to monitor import statistics.

While similar in certain respects, import licensing procedures do differ in terms of documentation requirements, application and importation procedures. Procedures also significantly differ in application processing time, ranging from one day to six months, and validity of licensing, ranging from one month to five years.

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